



ZEDRA

DO MORE. ACHIEVE MORE.

# Chair's annual report

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## Wesleyan – Staff Group Personal Pension Scheme

- | Year ended 31 December 2024
- | The ZEDRA Governance Advisory  
Arrangement (GAA)

September  
2025



## Executive summary

**This report on Wesleyan Staff Group Personal Pension Scheme (“the Staff Scheme”), the workplace personal pension plans provided by Wesleyan (“the Firm”), has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement (“the GAA”) for pension policyholders. It sets out our independent assessment of the value delivered to policyholders and our view of the adequacy and quality of the Firm’s policies in relation to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship.**

Further background on the activity of the GAA and details of the credentials of the GAA can be found in Appendices C and D, respectively. The GAA works under an agreed Terms of Reference, the latest version of which is dated 29 March 2022 and is publicly available (see Appendix D).

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the Wesleyan Staff Group Personal Pension Scheme. The GAA has conducted a rigorous assessment of the Value for Money (“VfM”) delivered to policyholders over the period 1 January 2024 to 31 December 2024. The GAA has developed a Framework to assess Value for Money which balances the quality of services and investment performance provided to policyholders against what they pay for those services and investment performance. Further details are set out on page 7.

## A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

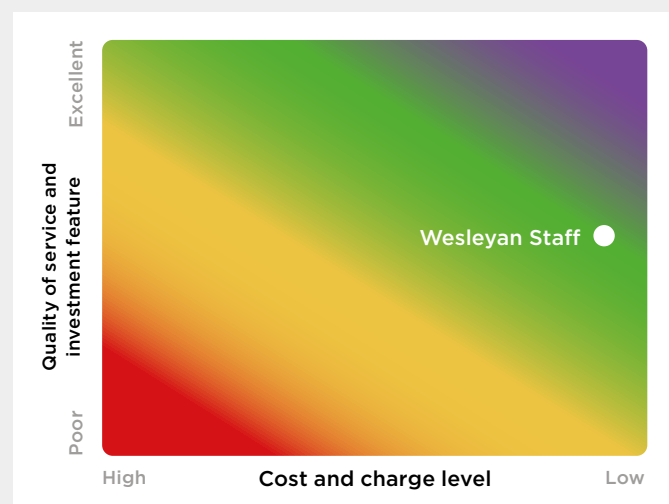
|                                                      | Weighting toward VfM assessment* | Staff Scheme |
|------------------------------------------------------|----------------------------------|--------------|
| 1. Product strategy design and investment objectives | 13%                              | ●            |
| 2. Investment performance and risk                   | 10%                              | ●            |
| 3. Communication                                     | 17%                              | ●            |
| 4. Firm governance                                   | 7%                               | ●            |
| 5. Security of policyholder benefits                 | 7%                               | ●            |
| 6. Administration and operations                     | 10%                              | ●            |
| 7. Engagement and innovation                         | 3%                               | ●            |
| 8. Cost and charge levels                            | 33%                              | ●            |
| <b>Overall Value for Money assessment</b>            | <b>100%</b>                      | <b>●</b>     |

\* May not add to 100% due to rounding

|                                                                                    |                                                                                  |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Quality and investment features</b><br>● Excellent ● Good ● Satisfactory ● Poor | <b>Cost and charge levels</b><br>● Low ● Moderately Low ● Moderately High ● High |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|

How we determine our Value for Money rating is set out on page 7 of this report. The overall Value for Money is visually represented by the heatmap below.

## VALUE FOR MONEY SCORING



## Our conclusion is that the Wesleyan Staff Scheme provides **good** value for money.

Overall, the GAA has challenged the Firm in the following areas:

- | In our previous year's report, the GAA challenged the Firm to undertake a full, strategic review of the default option. It has been reported to us that Wesleyan carried out a review of the lifestyle feature during 2024, however the review did not extend to look at the default funds underpinning the lifestyle strategy. We would expect a deeper review to consider whether the aims and objectives of the default funds reflect the risk (and return) appetite of the relevant policyholders, including thought given to aspects such as the investment horizon and the age profile of the policyholders, along with illustrations based on average and example policyholder pot sizes. We would also expect the review to be reported to, and considered by, a senior committee level within Wesleyan. Without sufficient knowledge of the extent of the review carried out during 2024 we therefore continue to raise this as a challenge for this year's report.
- | An additional challenge identified this year, relates to the administration of the policies, which underperformed during 2024, resulting in lengthened timelines for completion of processes and a higher volume of policyholder complaints. This was due to staffing issues with the team being significantly under-resourced due to leavers impacting almost all of 2024. The GAA notes that Wesleyan has been taking action through recruitment and training, and expect improvements in the service statistics and a reduced number of policyholder complaints for 2025.

In addition, the GAA has the following observation:

- | The GAA has observed that while the investment performance of the funds was below their respective benchmarks for 2024, Wesleyan was able to demonstrate a structured and transparent response to this under-performance. This was the first period of under-performance in the recent past, and as actively managed funds, it is acknowledged that there will be variations against benchmarks

over time. If the under-performance continues into 2025, the GAA expects to see continued close monitoring of these funds and evidence of appropriate action being taken where necessary, as part of next year's report.

We concluded that the Firm's policies in relation to **Environmental, Social and Governance** (ESG) risks, non-financial considerations and stewardship were adequate and well implemented.

The FCA requires a comparison of your pension product with other similar options available in the market. If an alternative scheme appears to offer better value, we must inform the pension provider. I can confirm that we have not considered it necessary to make this notification this year. Our view on each feature that we are required to make a comparison on is included in the relevant section of the report. Details of how we selected the comparator group is set out in Appendix B.

A joint consultation was launched in early 2023 by the Financial Conduct Authority (FCA), the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR) on the framework for assessing Value for Money. This consultation set out a transformative framework of metrics and standards to assess value for money across all Defined Contribution (DC) pension arrangements including the workplace pensions reviewed by the GAA. The regulators' overarching aim is to improve the value savers get from their DC pension by increasing comparability, transparency, and competition across defined contribution (DC) pension schemes, regardless of whether regulated by the FCA or TPR. The consultation does not affect this year's review but may mean a change in the way that Value for Money is assessed in the future.

Where we have used technical pensions terms or jargon, these are explained in the glossary in Appendix E.

Details of the numbers of policyholders and their funds were supplied to ZEDRA for the assessment and are summarised in Appendix F.

I hope you find this value assessment interesting, informative and constructive.

## Louisa Harrold

Chair of the ZEDRA Governance Advisory Arrangement  
for the Wesleyan Staff Scheme

September 2025



**If you are a policyholder and have any questions, require any further information,  
or wish to make any representation to the GAA you should contact:**

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Alternatively, you can contact the GAA directly at [zgl.gaacontact@zedra.com](mailto:zgl.gaacontact@zedra.com)



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# Contents

|                                                                            |           |
|----------------------------------------------------------------------------|-----------|
| Executive summary                                                          | 2         |
| <b>Overview of the value assessment</b>                                    | <b>7</b>  |
| 1. Product strategy design and investment objectives                       | 9         |
| 2. Investment performance and risk                                         | 12        |
| 3. Communication                                                           | 14        |
| 4. Firm governance                                                         | 16        |
| 5. Security of policyholder benefits                                       | 18        |
| 6. Administration and operations                                           | 20        |
| 7. Engagement, innovation and improvements for policyholder experience     | 22        |
| 8. Cost and charge levels                                                  | 24        |
| <b>ESG financial considerations, non-financial matters and stewardship</b> | <b>26</b> |
| <b>Appendices</b>                                                          |           |
| A: Administration charge and transaction cost disclosures                  | 28        |
| B: Approach to comparisons                                                 | 30        |
| C. GAA activity and regulatory matters                                     | 32        |
| D. ZEDRA GAA credentials                                                   | 34        |
| E. Glossary                                                                | 35        |
| F. Data table                                                              | 37        |

# Overview of the value assessment

**The GAA has assessed the Value for Money delivered by Wesleyan to its Staff Scheme pension policyholders by looking at costs versus investment and service benefits. More detail about how we have done this is set out below.**

## Our approach

The GAA believes that value for money is subjective and will mean different things to different people over time, depending on what they consider important at that time.

What is clear is that it is always a balance of cost versus investment and service benefits. Our fundamental approach has therefore been to compare all the costs paid by policyholders against the investment performance and quality of services provided to policyholders.

The key steps for the GAA in carrying out the Value for Money assessment are:

- | Issuing a comprehensive data request to the Firm, requesting information and evidence across a wide range of quality features, including [net investment performance](#), as well as full information on all costs and charges, including [transaction costs](#).
- | Attending a number of formal meetings with representatives of the Firm to interrogate the data provided and to enable the GAA to question or challenge on any areas of concern. All such meetings have been documented by formal minutes and a log is also maintained containing details of any challenges raised, whether informally or through formal escalation.

- | Once the Firm has provided the information and evidence requested, the GAA has met to discuss and agree provisional Value for Money scoring using the Framework developed by the GAA and to undertake comparisons of the Firm's product against a suitable comparator group of providers for certain Quality of Service and Investment Features and Cost and Charges.

- | The provisional Value for Money score, including a full breakdown, has then been shared and discussed with the Firm.

The Framework developed by the GAA to assess overall Value for Money for policyholders involves rating the Firm against eight different features covering Quality of Service, Investment Performance and Strategy (the "Quality of Service and Investment Features"), and the Costs and Charges borne by the Policyholders. This assessment is undertaken relative to the GAAs view of good practice.

The Quality of Service and Investment Features have been determined based directly on the FCA requirements for assessing ongoing Value for Money set out in [COBS](#) 19.5.5, including services relating to communications with policyholders and processing of [core financial transactions](#). The assessment also includes other aspects the GAA considers important based on our experience of conducting Value for Money assessments over many years, such as the Firm's governance structure, the financial security for policyholders, the Firm's approach to engagement, innovation and service improvement, and a wider overview of the administration quality and processes.

Within each of the Quality of Service and Investment Features are several sub-features. These sub-features are each scored using a numeric scoring system. Scoring is aided by means of score descriptors, developed for each sub-feature, ensuring the GAA adopts a consistent approach to scoring across clients, each outlining what the GAA would expect to see to achieve the relevant numeric score. The scores for each sub-feature are then aggregated to the feature level based on our view of the relative value of the sub-feature to the policyholders ranging from Poor to Excellent.

The GAA will then consider the value represented by the costs and charges which policyholders bear. The assessment of cost and charge is primarily driven by the level of ongoing charges for investment management, administration, and any platform fees. The GAA also considers the underlying transaction costs incurred by the funds invested in and how they are controlled, and any additional costs the policyholders have to pay in managing their policies. The costs and charges are also rated on a scale from Low to High. This rating takes into account information available to the GAA on general levels of costs and charges for pension providers in the marketplace.

The scores for each feature are then combined using the weightings set out in the table in the Executive Summary to determine an Overall Value for Money rating. The weightings used are based on the GAA's views of the relative importance to the policyholders of each feature. The weightings are tilted towards the features which have been identified in the regulations relevant to forming this assessment of value. Where possible, we have taken into account the likely needs and expectations of this group of policyholders.

In the sections on the following pages, we have described the Firm's approach to delivering each of the features, and the rating the GAA has awarded, together with any areas for improvement we have identified.

In addition, there is a section setting out the GAA's views on the adequacy and quality of the Firm's policies on **ESG** financial considerations, non-financial considerations, and stewardship. Whilst this is a largely qualitative assessment the GAA has considered the Firm's policies in comparison to others the GAA has knowledge of.

A comparative assessment of the Firm's pension product has also been made of the net investment performance, quality of communication and quality of the administration service including processing of core financial transactions, and costs and charges relative to a suitable comparator group of product providers. Comments on the outcome of these assessments is included in the sections for the relevant Features. We have also considered whether overall an alternative provider would offer better Value for Money so that we can inform the Firm if we believe this to be the case. Details of how the comparator providers and products were determined is set out in Appendix B.



# 1. Product strategy design and investment objectives

**Value score:**

Excellent



Good



Satisfactory



Poor

## What are we looking for?

We expect to see an investment strategy for the default that is designed and managed taking the needs and interests of policyholders into account, evidenced by appropriately defined risk ratings, and consideration of the investment time horizon and age profile of the membership.

We want to see that all investment options have clear statements of aims and objectives – in particular that as well as qualitative objectives, there are quantitative objectives in place, that investment performance outcomes can objectively be measured against. Ideally, we would like to see evidence that these objectives link back to the needs of policyholders.

We are also looking for evidence of a robust ongoing review process for all investment options, including the default, and evidence that the Firm has taken steps to implement changes to investment options, where appropriate, to ensure alignment with policyholders' interests.

Whilst policies on **ESG** financial considerations and non-financial matters are considered separately on page 26, we expect to see evidence of how these matters are taken into account in the design of the investment strategy and in investment decision making.

## The Firm's approach

The Staff Scheme has a default investment strategy which was designed and implemented by Wesleyan in 2019, reflecting the requirements and choices being made by policyholders. The default option incorporates a lifestyle strategy, whereby monies in members' accounts are gradually transitioned from the Managed fund (which is the default until nearing retirement) to a combination of the Low Risk/Reward fund, along with the Managed fund, over a nine-year period prior to selected retirement age. This is designed to provide the prospect of good investment returns over the long term whilst helping to manage investment risks at each stage of the policyholder's lifetime. It is aimed at providing a strategy suitable for policyholders entering income drawdown at retirement.

The suitability of the default strategy and the range of investment funds offered are considered by the Staff GPP Governance Committee on a periodic basis, including proactively seeking feedback from staff members on an ongoing basis.

An alternative lifestyle is available, incorporating a transition to 100% Deposit fund by selected retirement age, suitable for policyholders who wish to take their benefits as a cash lump sum at retirement. Alongside the lifestyle strategies, there are five funds available in a self-select capacity; these include a With-profits fund and a High Risk/Reward fund.

When designing the current investment options and default strategy in 2019, Wesleyan undertook a thorough process with the assistance of an external advisory firm. As you would expect, the default option has the largest fund holding, however there is a significant minority of staff who invest in the self-select options – this reflects the nature of a large proportion of employees being financial consultants and the popularity of the Wesleyan With-profits fund which does not form part of the default strategy.

In relation to ESG, Wesleyan has a Sustainable Investing Policy which sets out sustainability targets, and Wesleyan's "three pillar approach" which covers the areas of reducing harm, having a positive impact, and driving change.

Wesleyan are signatories of the UK Stewardship Code, the UN-sponsored Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, and the FAIRR initiative. Wesleyan has made a commitment to be net carbon neutral operationally by 2023 and net zero by 2050.

## The Firm's strengths

All funds have a risk rating with clear aims and objectives, included on the fund factsheets, which are readily available on the Wesleyan website. The factsheets are reviewed monthly, and the risk levels of the funds are monitored internally at least monthly and have guidelines around which each fund should operate, including a red/amber/green status highlighting when funds are drifting outside of previously agreed risk zones and when action would be required.

The investment funds undergo a thorough annual review process with input from an external specialist firm, which considers the strategies and objectives of all available funds as standalone investment funds. However, this review does not extend to assess the ongoing alignment of those strategies with the objectives of the policyholders.

The funds available to policyholders of the Staff GPP are designed to cover a range of risk appetites.

A staff survey conducted in late 2023 revealed mixed views on the fund range. While 52% of respondents expressed interest in a broader fund range being made available, only 29% supported the introduction of additional funds if it would entail an annual management charge. Minutes from the Staff GPP Governance Committee confirm that the survey findings were discussed, and the output was subsequently shared with relevant stakeholders, including a senior committee within Wesleyan (the Product Governance Committee) and the product team, with the overall conclusion that no new funds would be added at the current time.

Wesleyan's Sustainable Investing Policy was updated in 2024, incorporating a requirement to adhere to the Firm's "three pillar approach". The 2024 update included wording clarifications in response to FCA guidance on anti-greenwashing. Wesleyan has maintained its signatory status with the UK Stewardship Code since 2021 and is also affiliated with several responsible investment initiatives, as previously set out. Wesleyan has a commitment to being operationally net carbon neutral by 2023 and achieving net zero by 2050.

Over 95% of funds are covered by the Wesleyan Sustainable Investment Policy. While externally managed funds are not yet included (which includes the High Risk/Reward fund, out of those available under the Staff workplace scheme), Wesleyan has implemented an ESG questionnaire for external fund managers to complete. The Sustainable Investment Policy is embedded into reporting and committee responsibilities, with stewardship duties reflected in the Investment Committee's terms of reference and supporting materials. A dedicated sustainability investment team is in place, with 100% of their time focused on ESG matters, and Wesleyan continues to provide evidence of active voting and engagement with investee companies.

## Areas for improvement

### GAA challenge

Wesleyan remain conscious of the need to keep the default lifestyle approach under regular review, and this is considered on a semi-regular basis by the Staff GPP Governance Committee. Although such a lifestyle review took place during 2024, limited evidence has been provided as to the depth of this review. It is therefore unclear whether items such as the continuing suitability of the strategy against evolving policyholder objectives and an up to date policyholder profile, were considered. That said, Wesleyan maintain a “Target Market Statement” to ensure the policyholder cohort is clearly defined, which we believe is helpful to ensure considerations around continuing suitability of the design does not only focus on one group of policyholders (for example the active staff members).

In this context, the GAA would like to see evidence of a full, strategic review of the default option specifically one that considers the suitability of the offering from the perspective of evolving policyholder objectives. We would also like to see evidence that this review is considered by a suitably senior committee such as the Product Governance Committee.

### GAA observation

As commented in previous years’ reports, the fund objectives do not contain specific measurable targets (e.g., a specified timeframe or commitment of out-performance against benchmark). Wesleyan remain comfortable that that the timeframe reference covering a “medium to long term period” reference remains appropriate and that it should not be linked to a specific number of years or a range of years. In our experience, this is not an uncommon approach, although we do see some firms offering funds with a more defined target (e.g., over a five year period), which we believe is helpful when measuring fund performance.

We also observe that the benchmark used to compare investment performance is a peer comparator group. Our observations on this are that while this is of use in certain respects, there are also some drawbacks including: that the data from the peer comparator group is not audited; it is not easily publicly available to policyholders (aside from on the fact sheets); and the ranges used within the peer groups can be very wide (i.e. funds within a peer comparator group may not represent a fair comparison point). We believe that it would be helpful if, in addition to the peer comparator data, Wesleyan were also able to publish a comparison against a publicly available benchmark such as the FTSE All share or other suitable index.

## 2. Investment performance and risk

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

We would expect to see a robust governance framework under which investment performance is monitored on a regular basis. Performance should be measured against investment objectives, including against a measurable and stated benchmark. Performance should be net of fees. In addition to the stated benchmark comparison risk adjusted returns should also be considered.

Where there are any concerns over investment performance, we expect to see evidence of appropriate action being taken, which may include engagement with investment managers and/or implementing changes to fund options. We also expect to see evidence that the strategies are effective and take into account the policyholders' attitudes to risk.

### The Firm's approach

Wesleyan's Investment Committee and With-Profits committee each meet quarterly and oversee the performance of their respective funds. There is also a 'middle office' call every Friday to consider fund performance on an ongoing basis. RAG ratings are used by management to identify areas of concern. Performance is assessed over a range of short, medium and longer time periods, relative to comparator data identified. Fund performance and risk metrics are considered against a series of pre-defined red/amber/green parameters.

### The Firm's strengths

The GAA has been provided with copies of meeting minutes for 2024 which provide evidence of regular reviews of fund performance and risk levels as well as discussions around investment philosophies being followed, and feedback given to the internal fund managers.

While all of the funds in question under-performed against their benchmarks over 2024, Wesleyan have evidenced detailed discussions at Investment Committee meetings held throughout the year. This included challenging the internal investment managers to provide additional attribution analysis and price/earnings reviews, and aimed to understand and address the causes of underperformance.

Over longer time periods than the 12 months to 31 December 2024, the GAA notes that the funds have outperformed their benchmarks.

### Net investment performance

The [net investment performance](#) of each of the funds available to policyholders, and the performance of the benchmarks against which those funds are measured are, set out in the following table. This shows the performance over the 12 month period ending 31 December 2024. For this purpose, the benchmarks are considered to be the sector averages, as the metric reported against in the fund factsheets, and as used by Wesleyan for their internal monitoring purposes.

| Fund name        | Net investment performance | Benchmark |
|------------------|----------------------------|-----------|
| Pensions Managed | 7.8%                       | 11.7%     |
| Low Risk/Reward  | 1.4%                       | 4.4%      |
| High Risk/Reward | 13.6%                      | 15.7%     |
| With Profits     | 6.2%                       | 8.8%      |
| Deposit Fund     | 6.1%                       | 5.1%      |

*Note: the performance figures shown are those net of fees (with the exception of the deposit fund, which is shown gross of fees), where the published annual management charge is assumed to apply. However, the annual management charges for staff policyholders' funds (including for ex-employees) are set to be nil (aside from the High Risk/Reward fund, where the standard published fee applies) and therefore the net investment performance for policyholder under the Staff scheme will in fact be higher than that shown above (with the exception of the deposit fund and the Higher Risk/Reward fund, where the return will be as shown)..*

## Comparator results

We have assessed how the net investment performance provided to the Firm's policyholders compares to other sufficiently similar employer pension arrangements. This takes account of both the nature of the provider and the performance of the investments being offered relative to an appropriate benchmark.

This assessment identified that the one year net investment performance relative to benchmark for the Firm's policyholders over 2024, weighted by the size of funds invested, was below average, i.e. relative to benchmark.

## Areas for improvement

### GAA observation

While Wesleyan has demonstrated a structured and clear response to the underperformance of its actively managed funds in 2024, the GAA would expect to see continued close monitoring of these funds and evidence of appropriate action being taken where necessary. We will assess how Wesleyan responds to ongoing performance trends as part of next year's review.

## 3. Communication

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

As a minimum we expect communications to be fit for purpose, clear and engaging and to be tailored to take into account policyholders' characteristics, needs and objectives.

We would expect to see a comprehensive suite of communications including annual benefit statements, pre-retirement wake-up letters and retirement option packs.

Information on administration charges and **transaction costs** should be made available to policyholders on a publicly available website annually, including illustrations of the compounding effect of the administration charges and transaction costs on an annual basis.

In a high quality communication service offering we would expect a substantial online offering, with a range of online support materials such as online calculators to enable personalised calculations with various selectable options. We would expect telephone support to be available, with good evidence of telephone scripts, call monitoring and staff training.

Additionally, we would expect policyholders to be able to switch investment options online and to have support available to help them make appropriate decisions. In particular, we would expect there to be appropriate risk warnings built into the process.

We would expect the provider to be able to offer a range of different retirement options for policyholders, as well as clear signposting to policyholders on where they can obtain guidance and advice on their retirement options.

### The Firm's approach

Wesleyan has a range of communication materials and channels. Core communications undergo a cycle of regular review and refresh. In particular, all written communications underwent a thorough review between April 2023 to July 2024, to ensure compliance with the requirements of the FCA's Consumer Duty. The GAA has reviewed a range of sample communications which are clear and free from jargon and the GAA believes them to be of a good standard. The communications provided have clear risk warnings built into them and there are signposts to additional information on retirement options, and towards Pension Wise and Money Helper.

Communication by other means includes strong telephone support, and a website where policyholders can log on to obtain up to date fund pricing information. For confirmation of a policyholder's account value, policyholders can obtain this via email, a telephone call, instant messaging via webchat.

The website features include webchat, and other online materials such as guides to pensions and retirement options, and case studies, with a dedicated webpage for those who remain policyholders but who are no longer employed by Wesleyan.

At retirement, policyholders have access to the full range of options including a partial pension lump sum (known as a partial UFPLS). Policyholders must make a transfer to another Wesleyan product if they wish to draw benefits through Flexi- Access Drawdown. Wesleyan do not offer the option to take an annuity from Wesleyan, but have partnered with a third party to assist policyholders in seeking the best annuity quotations from the wider market.

The Wesleyan website provides several guides to assist policyholders throughout the lifecycle of their policy, but there are no freely available online calculators.

Support for policyholders is provided by way of access to Wesleyan Financial consultants, which is provided at a discount for active Staff Scheme policyholders (though the full charges apply for deferred policyholders).

Staff are encouraged to engage by way of a range of internal forums, including the DC Governance Committee, which holds meetings six-monthly, and includes staff members from different areas of the business to ensure a range of representation.

## The Firm's strengths

The access to financial advice from Wesleyan Financial Consultants at a reduced fee as standard for active staff policyholders is a notable benefit.

The level of engagement with active staff policyholders is very strong, and Wesleyan undertake focus groups and other means to ensure they obtain feedback on the offering.

## Improvements since last year

Wesleyan's quality assessment score for call handling rose from 88% in 2023 to 93.5% in 2024.

### Comparator results

We have assessed how the communication materials provided to the Firm's policyholders compare to other sufficiently similar employer pension arrangements. This takes account of the nature of the provider.

This assessment identified that the communication materials provided to the Firm's policyholders over 2024 were average, i.e. relative to the comparator group.

## Areas for improvement

### GAA observation

Policyholders do not have the online functionality to be able to check their account value, change their contribution rates or initiate investment fund switches online. This ready access is becoming more commonly available and would be a notable step forward if Wesleyan could develop their offering in this area.

## 4. Firm governance

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

We would expect to see a comprehensive governance structure in place where, for example, Terms of Reference are provided for key committees, reviewed on a regular basis, with clearly defined scope. We would expect to see evidence of the key committees operating during the year with minutes or meeting packs demonstrating that the key scope elements of the committee remit have been adequately covered.

There should be a transparent and documented process for appointing and monitoring service providers, with evidence of regular reviews being undertaken and changes being made as required.

### The Firm's approach

Wesleyan uses internally managed funds for the Staff Scheme book of business, with governance oversight provided through the Investment committee and With-profits committee, both of which meet on a quarterly basis. These committees oversee fund performance and ensure alignment with the stated aims and objectives of the funds.

Wesleyan undertakes regular internal reviews of different aspects of the business. There is a thorough approach to reviews with Regulatory and Corporate Audit functions conducting regular reviews across the Group. Notably, an internal audit of the Staff Group Personal Pension Plan (GPP) was conducted at the end of 2024, identifying

delays in processes and an instance of a letter not being issued—impacting three members. These issues were linked to administrative performance.

The DC Governance Committee continues to operate as a distinct forum to review the operation of the Wesleyan Staff Group Personal Pension Plan. The Committee meets six-monthly and seeks to promote the highest levels of governance on matters concerning the management of the arrangement which includes investments, administration and communication issued to members. The Committee considers management information provided with respect to the administration of the Plan and the Plan's investments, any changes made to the product, any regulatory monitoring activity associated with the Plan, and the Committee's Risk Register.

The IT underpinning the operations of the Plan was historically provided by Capita, with oversight from a designated team within Wesleyan. However, the Firm is transitioning away from Capita software to SS&C, with operations to be outsourced in the future. Oversight of Capita remains in place during this transition, and any issues are escalated to the Product Governance Committee.

Wesleyan manages the conflict of acting as both the asset manager and product provider through robust ongoing challenge of the investment side of the business. The Investment Committee terms of reference set out that a minimum of three members of the committee must be non-executive members.



In 2025, Wesleyan implemented significant governance structural changes, consolidating multiple committees into a streamlined framework that includes the continuation of the Product Governance Committee, the introduction of a new monthly Customer Operations Committee, and the establishment of a senior oversight body, the Customer Committee, which replaces the Group Product Governance Committee. These changes will be assessed by the GAA in next year's review, as the current review focuses on governance arrangements in place during 2024.

## **The Firm's strengths**

Wesleyan maintains a comprehensive governance framework for appointing and monitoring internal and external service providers, with evidence of regular reviews being undertaken, and challenging conclusions reached when deemed appropriate. Minutes have been provided for a selection of committee meetings, and terms of reference for the relevant committees provided.

Wesleyan performs an annual health check on the service provided by Capita in addition to the bi-annual supplier review that would take place as standard. This layered oversight, combined with the planned transition to SS&C, demonstrates a proactive approach to improving operational resilience and service quality.

## **Areas for improvement**

The GAA did not identify any specific areas for improvement.

## 5. Security of policyholder benefits

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

We expect to see that the Firm is in a sound financial position with sufficient capital backing to enable it to continue to operate for the foreseeable future.

We also look for information about how the assets are protected, for example in the event of fraud or bankruptcy, at both the Firm and investment manager level. For example, this could relate to FSCS or other regulatory protections, ringfencing or the structure of the underlying product.

We are looking for evidence that the Firm has processes in place for protecting policyholder assets against fraud and scams and for Firms to be actively monitoring for possible scamming activity.

### The Firm's approach

As a UK registered insurance company, Wesleyan Assurance Society is required to adhere to the rules in relation to capital adequacy and solvency ratios as laid out by the Prudential Regulation Authority (PRA). The PRA sets testing thresholds and the GAA is satisfied that based on these requirements, policyholders' interests are protected and we have no concerns about the financial strength of Wesleyan.

Solvency II regulations require Wesleyan to hold sufficient capital to cover a 1 in 200 stress event. In practice a significant buffer capital is held above this. The solvency ratio for the Firm at the end of 2024 was 261%, which although less than at the end of 2023 is well in excess of the required level and illustrates the considerable financial strength of Wesleyan and its ability to withstand extreme events.

Wesleyan are alert to the risk of fraud and pension scams. Wesleyan has both a fraud policy and a financial crime policy. The fraud policy was reviewed and updated in 2024, while the financial crime policy has also been reviewed in recent years, with the latest available update dating back to 2023. Pension transfers identified at higher risk of being a potential scam are subject to thorough due diligence including requests for further information from the receiving scheme and posing questions to the customer about how they have been contacted and their level of understanding about their new scheme.

## The Firm's strengths

Wesleyan Assurance Society operates under the PRA regime which provides the GAA with reassurance that policyholders' interests are protected, and latest solvency figures show a financial robustness in excess of the required levels.

Wesleyan confirmed that no frauds or scams were detected during 2024.

Fraud risks are reviewed across the business on a regular basis to ensure they are being identified and controls remain effective. Internal processes are in place to help identify cases of account takeover and attempted fraud. Annual fraud awareness training is carried out by all staff, including how to spot potential phishing attacks or scams.

## Areas for improvement

The GAA did not identify any specific areas for improvement.

## 6. Administration and operations

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

We expect Firms to have robust administration processes in place with appropriate service standard agreements and regular monitoring and reporting around adherence to those service standards. In particular, we are seeking evidence that **core financial transactions** are processed promptly and accurately, such as processing contributions, transfers processing and death benefit payments.

We look for evidence of regular internal and external assurance audits on controls and administration processes. In particular, we are looking for a robust risk control framework around the security of IT systems, data protection and cyber-security. We would expect to see evidence that cyber-security is considered as a key risk by the Firm's relevant risk governance committee and that appropriate monitoring, staff training and penetration testing is put in place.

We expect Firms to have a comprehensive business continuity plan and evidence of its effectiveness through appropriate testing or in maintaining continuity of business during the COVID-19 pandemic.

We would expect to see a low level of substantive complaints and demonstration of a clear process for resolving complaints.

### The Firm's approach

The Staff Scheme workplace policies are administered through the internal "Customer Operations Birmingham" team, using Capita software, which is in the process of being migrated to a new system as part of a broader organisational transformation. The team work to a target of completing tasks within 2 to 11 working days, depending on the task, including investing of new premiums within 5 days. In practice, all contributions are invested using unit pricing relevant on the date that they are received (which is the 1st of each month). This process remains consistently achieved in all cases. The target for achieving the SLAs, aside from investing of new contributions, is 85%.

All colleagues within the team are required to have a recognised industry qualification to improve knowledge and administration competency when working with pensions or be working towards such a qualification. Wesleyan continues to monitor call quality to ensure accurate and helpful communication with staff members.

GDPR and data protection policies are in place and reviewed annually. In relation to cyber security, phishing testing is conducted quarterly, with additional training for those who click on test emails. In 2024, external penetration testing was carried out, with no major findings reported, and incident response testing was completed, including a cyber-attack scenario.

There were no reportable data breaches to the Information Commissioner's Office in 2024.

## Comparator results

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compare to other sufficiently similar employer pension arrangements.

This assessment identified that the administration services provided to the Firm's policyholders over 2024 were below average, i.e. relative to the comparator group.

## Areas for improvement

### GAA challenge

Performance in 2024 fell significantly below the stated targets due to staffing challenges, with an overall SLA achievement of 61.1% of cases being completed within the stated SLA timescale, compared to 95.5% in 2023. This decline was reflected in key areas: retirements were completed within five days in only 28% to 83% of cases (the statistics provided are broken into a variety of categories of different types of retirement at differing ages), fund switches were completed within the SLA in 37% of cases for existing funds and 74% for future contributions. Death cases were the notable exception where SLA timescales were achieved in 100% of cases. This underperformance coincided with a spike in member complaints, which showed a clear pattern primarily concerning delays in processing member requests or responding to queries.

The reason given was the departure of three out of four team members working on the Staff policies in a relatively short period of time. Wesleyan undertook significant recruitment and training efforts throughout 2024, resulting in a fully rebuilt team of six by the year-end.

While the staffing issues experienced in 2024 appear to have been addressed through recruitment and training, the GAA expects to see a substantial improvement in SLA performance and reduction in member complaints in next year's review.

## 7. Engagement, innovation and improvements for policyholder experience

**Value score:**



Excellent



Good



Satisfactory



Poor

### What are we looking for?

We expect to see evidence that the product is reviewed on a regular cycle of not more than every three years, with new product features or service innovations being launched when appropriate and in line with relevant improvements being made to other similar products being offered by the Firm. We expect these changes to have been developed taking into account policyholders' characteristics, needs and objectives, including direct feedback from policyholders.

We are looking for evidence of regular, proactive engagement with policyholders to obtain feedback and for this feedback to be taken into account when reviewing the product offering.

### The Firm's approach

Wesleyan is a mutual organisation, owned by, and run for the benefit of, their members. In general, because of this, there is a strong engagement with its membership.

The DC Governance Committee enables engagement with the policyholders, with direct representation by employees.

The Firm continued to demonstrate a clear commitment to sustainability, with significant and challenging commitments made in this area.

### The Firm's strengths

Wesleyan is very open to engagement with policyholders, and the DC Governance Committee is evidence of this. It is clear that open dialogue and feedback are encouraged.

Whilst no fundamental changes were made to the product offering over the year, Wesleyan was able to evidence continual improvements, with examples given below.

### Improvements since last year

Wesleyan has taken meaningful steps to enhance engagement with Staff Scheme policyholders, particularly those no longer employed by the organisation. A dedicated webpage now supports ex-employees, addressing a previously underserved group and closing a key communication gap.

In 2024, several service innovations were introduced which have relevance for Staff Scheme policyholders. These include the development of a clearer with-profits fund description shaped by market testing feedback. Communication channels were modernised with QR codes embedded in materials to enable real-time feedback, and staff gained the option to sacrifice their bonus directly into their pension – enhancing flexibility and engagement.

## **Areas for improvement**

The GAA did not identify any specific areas for improvement.

## 8. Cost and charge levels

**Value score:**



Low



Moderately Low



Moderately High



High

### What are we looking for?

The GAA has considered the overall level of charges borne by policyholders over the year. This included assessing:

- | the annual fund management and administration charges being borne by policyholders
- | the **transaction costs** incurred by the underlying investment funds which reduce the investment return experienced by policyholders
- | any other charges being paid by policyholders to manage and administer their workplace pensions
- | the Firm's process for collecting and monitoring overall member charges, including **transaction costs**.

We expect fund management charges to be comparable to charges for similar investment products in the wider pensions market after considering the active or passive nature of the investment and the type of assets involved. We take into account where the majority of **relevant policyholder** assets are invested.

In looking at transaction costs we also consider the overall level of volatility in the markets, recognising that in highly volatile markets transaction costs may increase.

We assess whether the overall level of administration charges are reasonable, bearing in mind the types of services provided to policyholders.

Finally for products which are used for providing auto enrolment pensions we consider the government required charge cap.

Whilst we have considered the average total costs and charges payable by policyholders we have also noted where there may be significant outliers such as high charges for small pots.

Further information on the required disclosures relating to costs and charges payable by the Firms policyholders can be found in Appendix A.

### The Firm's approach

There are no **annual management charges** levied on policyholders, unless they have selected the Higher Risk Reward, where a charge of up to 0.76% p.a. applies, which represents the underlying external fund costs.

No charge is made when policyholders switch from one fund to another.



## The Firm's strengths

Overall investment charges are assessed to be Low on the basis that there are no Annual Management Charges applied for any of the investment options other than the Higher Risk / Reward fund, which we understand does not apply to many policyholders.

This assessment would change to Moderately Low, if based solely on the ongoing charges figure for the Higher Risk / Reward Fund of up to 0.76% p.a. (Down from 1.0% in 2023). We understand that Wesleyan has no direct control over this charge.

Wesleyan has provided full transaction costs for the year, and the GAA believe these to be of a low level (with the exception being the With-profits fund where at 0.09%, we would assess these transaction charges to be moderately low). All cost and charges, including transaction costs, are discussed at the Product Governance Committee.

## Comparator results

We have assessed the overall cost and charge levels payable by the Firm's policyholders in comparison to policyholders of other sufficiently similar employer pension arrangements. This takes account of the nature of the provider.

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2024 were below average, i.e. relative to the comparator group.

## Areas for improvement

The GAA did not identify any specific areas for improvement.

# ESG financial considerations, non-financial matters and stewardship

## What are we looking for?

Where the Firm has an investment strategy or makes investment decisions which could have a material impact on policyholders' investment returns, the GAA will assess the adequacy and quality of the Firm's policy in relation to **ESG** financial considerations, non-financial matters and stewardship. The GAA will consider how these are taken into account in the Firm's investment strategy and investment decision making. We will also form a view on the adequacy and quality of the Firm's policy in relation to stewardship.

We expect the Firm's policy in relation to these considerations:

- (a) sufficiently characterises the relevant risks or opportunities;
- (b) seeks to appropriately mitigate those risks and take advantage of those opportunities;
- (c) is appropriate in the context of the expected duration of the investment; and
- (d) is appropriate in the context of the main characteristics of the actual or expected **relevant policyholders**.

We also expect that the Firm's processes have been designed to properly take into account the risks and opportunities presented.

Where ESG considerations have been delegated to external investment managers we expect the Firm to have a suitable oversight and stewardship process in place.

Whilst this formal requirement falls outside the overall Value for Money assessment, the GAA's Value for Money framework does take into account, where relevant, when scoring the area of Product Strategy Design and Investment Objectives on page 9, how the Firm has integrated ESG financial considerations and non-financial matters in the Firm's investment strategy and investment decision making.

## The Firm's approach

During the period Wesleyan, as asset owner, carried out a relatively routine review of its Sustainable Investing Policy that it expects asset managers to adhere to when managing directly invested customer funds. In addition to the existing sustainability targets, the policy includes the requirement to adhere to Wesleyan's "three pillar approach" which covers the areas of reducing harm, having a positive impact, and driving change. Wesleyan's Sustainability Investment team now spends 100% of its time on ESG matters (as opposed to this representing part of individuals' job descriptions).

## The Firm's strengths

For 2024, Wesleyan has confirmed that all of the in-scope funds under review exceeded the requirements of the sustainability targets and met the objectives of the “three pillar approach”.

Wesleyan are signatories of the UK Stewardship Code. They are signatories for Principles for Responsible Investment, Climate Action 100+, Access to Medicine Foundation, and the FAIRR Initiative. Wesleyan has made a commitment to be net carbon neutral operationally by 2023 and net zero by 2050.

The GAA noted that evidence of the sustainable investing policy was being embedded into reporting and committee responsibilities, and this included stewardship responsibilities.

Overall, the GAA concludes the policies on ESG financial considerations, non-financial matters and stewardship are adequate and of good quality.

## Areas for improvement

The GAA did not identify any specific areas for improvement.



## Appendix A: Administration charge and transaction cost disclosures

The FCA requires that administration charges and transactions costs, in relation to each [Relevant Scheme](#) must be published by 30 September, in respect of the previous calendar year and be available for free on a publicly accessible website. These disclosures must include the costs and charges for each default arrangement and each alternative fund option that a member is able to select. They should also include an illustration of the compounding effect of the administration charges and [transaction costs](#), on a prescribed basis and for a representative range of fund options that a policyholder is able to select.

The Firm has compiled these disclosures and compounding illustrations, which are provided on a publicly accessible website at [Corporate governance, reports and accounts | Wesleyan](#).

The Firm has provided the GAA with the following disclosures in respect of the period 1 January 2024 to 31 December 2024 in respect of all of the funds in question.

| Fund name                               | Transaction costs as a % of the overall fund |
|-----------------------------------------|----------------------------------------------|
| Wesleyan Pension Managed Fund           | 0.0090%                                      |
| Wesleyan Pension With Profits Fund      | 0.0879%                                      |
| Wesleyan Pension Deposit Fund           | 0%                                           |
| Wesleyan Pension High- Risk Reward Fund | 0%                                           |
| Wesleyan Pension Low- Risk/ Reward Fund | 0.043%                                       |

## Illustration of impact of projected costs and charges on fund value over time

| Projected pension pot in today's money |                                            |                                               |                                            |                                               |                                            |                                               |                                            |                                               |                                            |                                               |
|----------------------------------------|--------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------|
| Fund Choice                            |                                            |                                               |                                            |                                               |                                            |                                               |                                            |                                               |                                            |                                               |
|                                        | Default Arrangement<br>(Managed)           |                                               | FUND A:<br>Higher Risk Reward              |                                               | FUND B:<br>With Profits                    |                                               | FUND C:<br>Deposit                         |                                               | FUND D:<br>Low Risk Reward                 |                                               |
| Year                                   | Before<br>charges<br>and costs<br>deducted | After<br>all charges<br>and costs<br>deducted | Before<br>charges<br>and costs<br>deducted | After<br>all charges<br>and costs<br>deducted | Before<br>charges<br>and costs<br>deducted | After<br>all charges<br>and costs<br>deducted | Before<br>charges<br>and costs<br>deducted | After<br>all charges<br>and costs<br>deducted | Before<br>charges<br>and costs<br>deducted | After<br>all charges<br>and costs<br>deducted |
| 1                                      | 11,700                                     | 11,700                                        | 11,700                                     | 11,600                                        | 11,700                                     | 11,700                                        | 11,600                                     | 11,600                                        | 11,700                                     | 11,700                                        |
| 3                                      | 15,500                                     | 15,500                                        | 15,500                                     | 15,100                                        | 15,500                                     | 15,500                                        | 15,200                                     | 15,200                                        | 15,500                                     | 15,500                                        |
| 5                                      | 19,800                                     | 19,800                                        | 19,800                                     | 19,000                                        | 19,800                                     | 19,700                                        | 19,200                                     | 19,200                                        | 19,800                                     | 19,800                                        |
| 10                                     | 33,100                                     | 33,100                                        | 33,100                                     | 30,700                                        | 33,100                                     | 32,900                                        | 31,200                                     | 31,200                                        | 33,100                                     | 33,100                                        |
| 15                                     | 50,800                                     | 50,800                                        | 50,800                                     | 45,600                                        | 50,800                                     | 50,400                                        | 46,800                                     | 46,800                                        | 50,800                                     | 50,800                                        |
| 20                                     | 74,400                                     | 74,400                                        | 74,400                                     | 64,700                                        | 74,400                                     | 73,500                                        | 66,800                                     | 66,800                                        | 74,400                                     | 74,400                                        |
| 25                                     | 105,000                                    | 105,000                                       | 105,000                                    | 88,800                                        | 105,000                                    | 103,000                                       | 92,400                                     | 92,400                                        | 105,000                                    | 105,000                                       |
| 30                                     | 146,000                                    | 146,000                                       | 146,000                                    | 119,000                                       | 146,000                                    | 143,000                                       | 124,000                                    | 124,000                                       | 146,000                                    | 146,000                                       |
| 35                                     | 199,000                                    | 199,000                                       | 199,000                                    | 157,000                                       | 199,000                                    | 195,000                                       | 166,000                                    | 166,000                                       | 199,000                                    | 199,000                                       |
| 40                                     | 268,000                                    | 268,000                                       | 268,000                                    | 204,000                                       | 268,000                                    | 262,000                                       | 217,000                                    | 217,000                                       | 268,000                                    | 268,000                                       |

### Notes:

1. Projected pension pot values are shown in today's terms and do not need to be reduced further for the effect of future inflation
2. The starting pot size is assumed to be £10k
3. Inflation is assumed to be 2% each year
4. Contributions are assumed from age 22 to 68 and increase at 2% per year
5. Values shown are estimates and are not guaranteed
6. The projected growth rate for each fund are as follows:
  - Managed Fund: 5%
  - Higher Risk Reward Fund: 5%
  - With Profits Fund: 5%
  - Deposit Fund: 4.2%
  - Low Risk Reward Fund: 5%

## Appendix B: Approach to comparisons

The FCA requires that a comparative assessment be made of certain sub-features of the Value for Money assessment. The GAA is required to compare the Firm's offering against a selected group of other similar product options available in the market based on publicly available information. If an alternative scheme(s) would offer better value, we must inform the pension provider.

ZEDRA's GAA operates for a number of Firms, all of whom have agreed that the GAA can make use of the data we have gathered on their offerings to carry out the required comparisons this year. This is done on an anonymised basis.

### How the comparators were selected

The GAA has selected a number of comparator products that we determined are sufficiently similar products so as to be comparable to those provided by the Firm for this purpose. The selection was based on the following broad criteria:

- | Type of product i.e. whether accumulation or pathways, and within accumulation whether the product is a SIPP or workplace group personal pension
- | Products where Firms provide similar services, for example whether the provider has responsibility for setting and monitoring the investment strategy.

Based on these criteria we believe that the comparator products chosen will provide a reasonable comparison for the policyholders of the Wesleyan Staff Group Personal Pension Scheme.

### Comparison of net investment performance

We have assessed how the net of fees investment performance provided to the Firm's policyholders compares to other similar employer pension arrangements. This takes account the performance of the investments being offered. Where multiple investment funds are made available, we have taken into account the amount invested by [relevant policyholders](#) in each fund.

### Comparison of communication provided to policyholders

We have assessed how the full range of communication materials, including any websites and modelling tools, provided to the relevant policyholders compares to other sufficiently similar employer pension arrangements. This takes account of the type of pension product provided, and whether the communication materials are fit for purpose considering the age profile of the relevant policyholders.

### Comparison of administration services

We have assessed how the quality and timeliness of the administration services, including the core financial transaction processing, provided to the Firms policyholders compares to other sufficiently similar employer pension arrangements.

## Comparison of costs and charges

We have undertaken the comparison of cost and charge levels considering three categories of charges:

- | Annual administration and investment fund charges
- | **Transaction costs**
- | Other costs and charges

We have assessed the overall cost and charge levels payable by the Firm's policyholders in comparison to policyholders of other sufficiently similar employer pension arrangements. This takes account of the type of product provided. The costs of services that are provided directly to the policyholder and paid for separately by the policyholder (for example financial or investment advice) are not included.

## Appendix C: GAA activity and regulatory matters

This section describes the work that the GAA has done over the year and also covers the other matters which we are required to include in our annual report.

### GAA engagement and actions this year

We prepared and issued a request for data on all the relevant workplace pension policies in early 2025.

Members of the GAA met with representatives of the Firm to kick off the Value for Money assessment process for the 2024 calendar year and to discuss and agree timescales.

We subsequently had a meeting with representatives of the Firm to discuss the information that had been provided in response to the data request. This was an opportunity for members of the GAA to meet key personnel with responsibility in the various different areas including investment strategy and how this has evolved, fund range including design of defaults, investment governance, approach to [ESG](#), non-financial matters and stewardship, administration and communications and risk management. In some cases this meeting was virtual.

We discussed the GAA's provisional scoring of Value for Money of the Firm's in-scope workplace pensions and the approach for meeting the cost and charges disclosure requirements in [COBS](#) 19.5.13.

As part of the Value for Money assessment process, the Firm has provided the GAA with all the information that we requested, including evidence in the form of minutes and other documentation to support areas of discussion at the site visit.

The GAA held several meetings during the year to review and discuss the information we received and to develop and improve the way that we assess Value for Money and report on this.

Over the last year the GAA reviewed our Value for Money assessment framework and scoring methodology to ensure this continued to be suitable and can be applied consistently. Whilst the Value for Money assessment framework itself remains largely unchanged from the previous year, work was undertaken to improve the data request and to make the overall process more efficient.

The GAA documents all formal meetings with the Firm and maintains a log which captures any concerns raised by the GAA with the Firm, whether informally or as formal escalations.

The key dates are:

| Item                        | Date       |
|-----------------------------|------------|
| Issue data request          | 10/01/2025 |
| Kick off meeting            | 14/01/2025 |
| Site visit                  | 02/04/2025 |
| GAA panel review meeting    | 07/05/2025 |
| Discuss provisional scoring | 10/06/2025 |



## The arrangements put in place for policyholders' representation

The following arrangements have been put in place to ensure that the views of policyholders can be directly represented to the GAA:

- | The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via [Corporate governance, reports and accounts | Wesleyan](#).
- | The Firm will receive and filter all policyholder communications, to ensure that this channel is not being used for individual complaints and queries rather than more general representations which may be applicable to more than one policyholder or group of policyholders. Where the Firm determines that a communication from a policyholder is a representation to the GAA, it will be passed on in full and without editing or comment for the GAA to consider.

In addition, the GAA has established a dedicated inbox at [zgl.gaacontact@zedra.com](mailto:zgl.gaacontact@zedra.com) so that policyholders can make representation to the GAA directly.

## Appendix D: ZEDRA GAA credentials

In February 2015 the Financial Conduct Authority (FCA) set out new rules for providers operating workplace personal pension plans (called [relevant schemes](#)) to take effect from 6 April 2015. From that date, providers had to have set up an Independent Governance Committee or appointed a Governance Advisory Arrangement whose principal functions is to:

- | Act solely in the interests of the [relevant policyholders](#) of those pension plans; and to
- | Assess the “value for money” delivered by the pension plans to those relevant policyholders.

These requirements were then extended to Firms providing investment pathways from 1 February 2021.

The FCA rules require that the Chair of each Independent Governance Committee and Governance Advisory Arrangement produce an annual report setting out a number of prescribed matters.

The ZEDRA Governance Advisory Arrangement (“the GAA”) was established on 6 April 2015 and has been appointed by a number of workplace personal pension providers and investment pathways providers. ZEDRA is a specialist provider of independent governance services primarily to UK pension arrangements. Amongst other appointments we act as an independent trustee on several hundred trust-based pension schemes and we sit on a number of IGCs. More information on the ZEDRA GAA can be found at [www.zedra.com/GAA](http://www.zedra.com/GAA)

The members of the ZEDRA GAA are appointed by the Board of ZEDRA Governance Ltd. The Board is satisfied that individually and collectively the members of the GAA have sufficient expertise,

experience, and independence to act in the interests of relevant policyholders and [pathway investors](#)

The Board of ZEDRA Governance Ltd has appointed ZEDRA Governance Ltd to the GAA. The majority of ZEDRA Governance Ltd’s Client Directors act as representatives of ZEDRA Governance Ltd on the GAA.

The Board of ZEDRA Governance Ltd has also appointed Dean Wetton, acting on behalf of Dean Wetton Advisory UK Ltd, to the GAA. Dean Wetton and Dean Wetton Advisory UK Ltd are independent of ZEDRA.

The Board of ZEDRA Governance Ltd has appointed either a specific named Client Director of ZEDRA Governance Ltd or Dean Wetton of Dean Wetton Advisory Ltd to act in the capacity of Chair of the GAA in respect of each Firm.

More information on each of ZEDRA’s Client Directors, their experience and qualifications can be found at [www.zedra.com/people](http://www.zedra.com/people).

Information on Dean’s experience and qualifications can be found at [deanwettonadvisory.com/](http://deanwettonadvisory.com/)

The GAA has put in place a conflicts of interest register and maintains a conflicts of interest policy with the objective of ensuring that any potential conflicts of interest are managed effectively so they do not affect the ability of ZEDRA Governance Ltd or Dean Wetton Advisory Ltd to represent the interests of relevant policyholders or pathway investors.

The terms of reference for the GAA agreed with the Firm can be found at: [Corporate governance, reports and accounts | Wesleyan](#)

# Appendix E: Glossary

*Please note that some of the terms referred to in this glossary may not be applicable to your product.*

## Active management

The investment of funds where the skill of the fund manager is used to select particular assets at particular times, with the aim of achieving higher than average growth for the assets in question.

## Annual management charge (AMC)

A deduction made by the pension provider or investment manager from invested assets, normally as a percentage of the assets. The AMC is generally how the pension provider or investment manager is paid for their services.

## Annuity

A series of payments, which may be subject to increases, made at stated intervals, usually for life. If the annuity is “joint life”, it will continue to a spouse (usually at a lower rate) after the death of the original person receiving the payments (“the annuitant”).

## COBS

The Conduct of Business Sourcebook prepared by the Financial Conduct Authority (FCA). In particular when we use COBS in this report we are referring to Chapter 19 of the COBS which sets out the provisions relevant to the Value for Money Assessment of workplace pensions.

## Core financial transactions

The essential processes of putting money into a pension policy or taking it out, namely:

- | Investment of contributions
- | Implementation of re-direction of future contributions to a different fund
- | Investment switches for existing funds, including life-styling processes
- | Settlement of benefits – whether arising from transfer out, death or retirement.

## Decumulation

The process of converting pension savings to retirement income.

## Environmental, social and governance (ESG)

These are the three main factors looked at when assessing the sustainability (including the impact of climate change) and ethical impact of a company or business. ESG factors are expected to influence the future financial performance of the company and therefore have an impact on the expected risk and return of the pension fund investment in that company.

## Flexible access

This refers to accessing pension savings in the form of income and/or lump sums. Pension savings that are not being accessed immediately will generally remain invested.

## Life-styling

An automated process of switching investment strategy as a policyholder approaches retirement, in a way that is designed to reduce the risk of a policyholder's retirement income falling.

## Net investment performance

The investment performance of the fund after deducting all asset management charges, administration charges, taxes and fees for managing the fund including any transaction costs.

## Pathway investor

A retail client investing in a Firm's pathway investment offering.

## Pathway investment

A drawdown fund which is either a capped drawdown pension fund or a flexi-access drawdown pension fund.

## Relevant policyholder

A member of a Relevant Scheme who is or has been a worker entitled to have contributions paid by or on behalf of his employer in respect of that Relevant Scheme.

## Relevant Scheme

A personal pension scheme or stakeholder pension scheme for which direct payment arrangements are, or have been, in place, and under which contributions have been paid for two or more employees of the same employer.

## Transaction costs

A combination of explicit and implicit costs included within the price at which a transaction (i.e. buying or selling an asset) takes place.

## With Profits

An insurance contract that participates in the profits of an insurance company. The insurance company aims to distribute part of its profits to with-profits policy holders in the form of bonuses.

## Unit-Linked

A type of investment where the investments of a number of people are pooled together and divided into units of equal value. The value, or price, of each unit depends on the value of the assets of the unit linked fund. The unit price determines the number of units the policyholder receives when they invest money in the fund, and the sum they receive when they sell their units.



## Appendix F: Data table

### Summary of Wesleyan Workplace Plan data at 31 December 2024

| Staff workplace pension scheme       |         |
|--------------------------------------|---------|
| Total number of policyholders        | 3,222   |
| - Contributing                       | 1,354   |
| - Non-contributing                   | 1,868   |
| Total value of assets (market value) | £145.9m |



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