



ZEDRA

DO MORE. ACHIEVE MORE.

Chair's annual report

Wesleyan – Workplace Group Pension Plans

- | Year ended 31 December 2023
- | The ZEDRA Governance Advisory Arrangement (GAA)

September
2024



Executive summary

This report on Wesleyan Workplace Group Pension Plans (“the Workplace Schemes”), 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 Workplace Schemes. The GAA has conducted a rigorous assessment of the Value for Money (“VfM”) delivered to policyholders over the period 1 January 2023 to 31 December 2023. 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

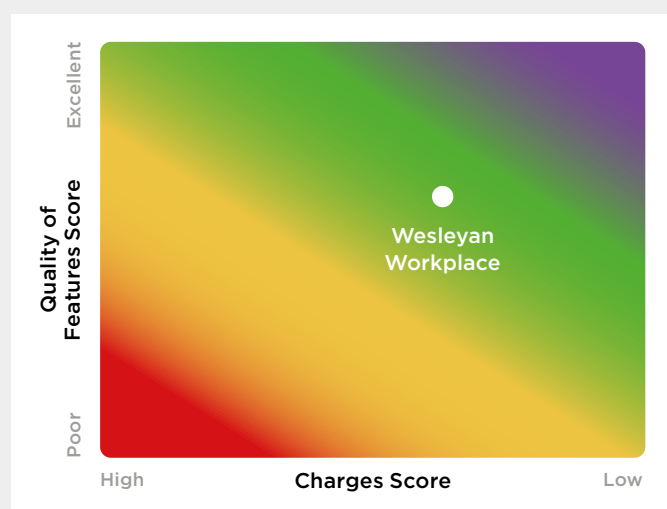
	Weighting toward VfM assessment*	Workplace Plans
1. Product strategy design and investment objectives	13%	●
2. Investment performance and risk	10%	●
3. Communication	17%	●
4. Firm governance	7%	●
5. Financial security	7%	●
6. Administration and operations	10%	●
7. Engagement and innovation	3%	●
8. Cost and charge levels	33%	●
Overall Value for Money assessment	100%	●

* May not add to 100% due to rounding

Quality and investment features (1-7) ● Excellent ● Good ● Satisfactory ● Poor	Cost and charge levels (8) ● Low ● Moderately Low ● Moderately High ● High
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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 Workplace Group Pension Plans provide **good** value for money.

Overall, the GAA has challenged the Firm on the following point:

- | In line with our challenge in previous reports, the GAA would like to see a full review into the fund range offered, and more options being introduced, or evidence provided as to why this is not appropriate. The GAA would also like to see consideration given to the introduction of a lifestyle option for the Group Retirement Account policies.

In addition, the GAA has the following observations on areas of ongoing development and points of note, including:

- | A product review undertaken during 2023 revealed that Wesleyan have failed to send retirement “wake up” letters in good time to Stakeholder policyholders for the required milestone points in the approach to retirement age during each of 2021, 2022 and 2023. While this had been revealed through annual audits of the Stakeholder scheme, corrective action taken had not been sufficient to resolve the problem in each of the subsequent years.
- | While Wesleyan has strong internal monitoring of service level standards, the relevant statistics are not captured in such a way to enable the GAA to be able to confidently comment on service level attainments, and in particular those relating to **core financial transactions** vs wider activities.
- | In addition, it appears as though the variability in achieving target service levels (as noted in previous reports) has continued. The statistic for timescales achieved for implementing fund switches is extremely low, with one possible scenario being that the measurement period which Wesleyan has set in this area, is unrealistic and inappropriate.

In our previous report we raised observations of areas of potential improvements in the following areas and we are pleased to be able to report that the Firm has made progress in addressing the following points:

- | The online member portal was upgraded during 2023. While this is a positive achievement, we believe that continuing evolution of the portal and web offerings should continue, with an example being to develop capabilities for fund switches to be carried out online.
- | Wesleyan wrote to employing firms of contributing policyholders to encourage their engagement with the Plans. Again, this is a positive step, but the GAA would like to see this extended to engagement with the policyholders themselves, and to include policyholders who are no longer contributing.

We also 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 Wesleyan Workplace Pension Plans

September 2024



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

Stacey Mason, Wesleyan Assurance Society, Colmore Circus, Birmingham B4 6AR
stacey.mason@wesleyan.co.uk

Alternatively, you can contact the GAA directly at zgl.gaacontact@zedra.com



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Overview of the value assessment

The GAA has assessed the Value for Money delivered by Wesleyan to its Workplace Group Pension Plan 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

Wesleyan has three types of policy under the scope of this workplace pension plan review. These are the Group Retirement Accounts (GRA), the Group Personal Pensions (GPP) and the Group Stakeholder Pensions (GSP).

None of the plans offer a default as there was no requirement to do so when these pension plans were sold. Lifestyling is available for GPP and GSP policies, which phases from the Managed fund to the Deposit fund over the 5 years before the individual's Selected Retirement Age. Post April 2005 GPP, policyholders are opted into **life-styling**, whilst pre April 2005 GPP and all GSP policyholders are opted out and would need to actively select the life-styling option.

There are only three fund options available to policyholders (two for GSP policies): the Pension Managed fund, the With-profits fund, and Deposit fund. Each of these funds is managed in-house by Wesleyan.

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.

All of the funds in scope for the workplace plans were covered by the Wesleyan Sustainable Investment Policy.

The Firm's strengths

All funds have a risk rating, and 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 level of the funds is monitored internally and has 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.

Policyholders have only very limited funds to choose from, with no choice for the GSP policies if you exclude the Deposit fund as a genuine option for the growth phase of a policy. The GSP was not sold as being a default arrangement, and does not meet the definition of being a default arrangement. Nonetheless, the GAA considers that, due to the lack of alternative fund options, the GSP should be considered as running a default arrangement, thereby requiring ongoing consideration to be given to the continuing suitability of the pensions managed fund as the sole fund option for these policyholders, as well as the lifestyling approach.

Policyholders of the workplace pension plans can move into an individual pension product with no exit fee, to access a wider choice of specialist funds. This is a useful facility to allow maximum flexibility for policyholders, particularly in light of the narrow fund offerings within the group arrangement.

The GAA has been provided with evidence of Wesleyan's strong stewardship credentials over the course of 2023, with Wesleyan voting at c.99% of all voteable meetings and citing numerous examples of engagement with companies. Evidence that the sustainable investing policy has been embedded into reporting and committee responsibilities, including stewardship responsibilities is clear from both the terms of reference of the Investment Committee and the meeting minute extracts and papers provided. All funds in scope for this report were reported as being ahead of their respective sustainability target benchmarks at the end of 2023.

Improvements since last year

In 2023, the firm conducted a product review for these policies where discussions noted the GAA's challenge from the previous year to review the default option and widen its fund range and lifestyling options. Wesleyan confirmed that it agreed with the GAA's recommendations but that this will be something to take forward at a suitable time (currently being restricted by changes in operational platform). Wesleyan notes that all policyholders would have been advised at the time of initiating their policies, with the product being selected with an appropriate risk level for their circumstances. However, in many cases policyholders won't have undertaken a further or recent review to ensure ongoing appropriateness.

Areas for improvement

GAA challenge

The GAA understands that a review into the closed product offering, including these workplace policies, took place in 2023. For the time being no changes have been made to the fund range. The GAA understands the current operational challenges, in what is a declining and closed book of business, however we would like to see a review of the continuing suitability of the core funds, wider fund range and further consideration of lifestyling options made available once the operational platform is in place.

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. It would be helpful to policyholders if 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 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 2023 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 internal fund managers.

The performance over 2023 for the Pensions Managed fund, which is the principal fund for the workplace policies, beat the sector average of ABI Mixed Investment 40%-85% Shares, by nearly 2% over the year. Further, the With-profits fund, which is the other fund held by the workplace plan policyholders, also out-performed its benchmark by a margin over year to 31 December 2023.

Net Investment Performance

The [net investment performance](#) of the pension funds over 12 months to 31 December 2023 and, where available, the performance of the comparators against which those funds are measured by the Asset Manager are set out in the following table. Note the Deposit Fund return is shown gross of fees.

Fund Name	Net Investment Performance	Benchmark
Pensions Managed	9.68%	7.88%
With Profits	9.90%	8.30%
Deposit Fund	4.75%	3.66%

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 2023, weighted by the size of funds invested, was average i.e. relative to benchmark.

Areas for improvement

The GAA did not identify any specific areas for improvement.

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 regular review and refresh (most at least once a year).

Communication by other means includes strong telephone support, and a comprehensive website available, where policyholders can log on to obtain up to date fund pricing information, as well to obtain the value of their own funds. For other enquiries or to change investment options, policyholders need to instigate this via email, a telephone call, or instant messaging.

The website features include webchat, and other online materials such as guides to pensions and retirement options, and case studies.

Policyholders are able to communicate with the Firm by letter, telephone, email, webchat, and an option to request a call back. Communications to policyholders and the website provide this information.

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 arrangement 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.

Support for policyholders is provided by way of access to Wesleyan Financial consultants (though the standard charges apply for workplace policyholders).

There is limited proactive engagement with policyholders (aside from the core communications), which reflects this being an historic and reducing book of business with no new policies being sold.

The Firm's strengths

Wesleyan provides policyholders with a full range of communication materials. Policyholders are directed to where additional information on retirement options can be found, as well as clear signposting towards Pension Wise and Money Helper. All written communications underwent a thorough review in 2023, to ensure compliance with the requirements of the FCA 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. These communications are reviewed regularly and updated in line with prevailing regulations and topical issues. The communications provided have clear risk warnings built into them.

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

Wesleyan has made available the required disclosures on costs and charges, and we have no concerns relating to these.

Improvements since last year

Substantive upgrades were made to the online portal in 2023 to improve the login process, to provide new features to help the customer's IFA, and a new help centre.

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 2023 were average, i.e. relative to the comparator group.

Areas for improvement

GAA observations

The refreshed online portal is a welcome development, although the GAA notes that policyholders remain unable to complete fund switches entirely online, which is something we believe would be of benefit to policyholders. The GAA notes that the operational platform is under review, and this may be something to consider in future developments of the portal.

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 use internally managed funds for the Workplace book of business with oversight provided through the Investment committee and With-profits committee, with meetings held on a quarterly basis.

Wesleyan undertake 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.

The Product Governance Committee meets monthly and considers conduct risk, internal controls for the historic product range including

these policies, and the administration of the policies. The Operations Delivery Forum also meets monthly to consider any matters relating to remediation, policy retention, as well as considering any areas highlighted within the Customer Operations Birmingham team. They will also consider product updates if appropriate.

The IT underpinning the operations of the Plans is provided by Sapiens. Wesleyan look to Sapiens in the first instance to apply their own governance for the IT systems, and this is overlaid by oversight of Sapiens provided by a designated person within Wesleyan, and any issues would be reported 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 sets out that a minimum of three members of the committee must be non-executive members.

The Firm's strengths

Wesleyan has a thorough governance framework in place to appoint and monitor internal and external service providers, with evidence of regular reviews being undertaken, and will challenge conclusions reached when deemed appropriate. Minutes have been provided for a selection of committee meetings, and terms of reference for the relevant committees provided.

Areas for improvement

GAA observations

The product review carried out during 2023 revealed that Wesleyan had not issued retirement “wake up” letters at the appropriate milestone birthday for policyholders of the Stakeholder scheme during 2021, 2022 and 2023. While this had been revealed through annual audits of the Stakeholder scheme, corrective action taken had not been sufficient to resolve the problem in each of the subsequent years.

While this originated as an administration and operations issue, due the time period over which this has persisted, and despite the annual reviews having identified the matter, the lack of corrective action suggests that annual audit output has not been considered with sufficient priority.

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 2023 was 322%, which although less than at the end of 2022 is well in excess of the required level and illustrates the considerable financial strength of Wesleyan and its ability to withstand extreme events.

Wesleyan is alert to the risk of fraud and pension scams. Wesleyan has a fraud policy, and a financial crime policy, both of which are reviewed and updated frequently, including during 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.

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 team invest new contributions within eight days of receiving these, however in practice, when contributions are invested, the unit pricing relevant on the date that the contributions were received is applied. This ensures policyholders are not disadvantaged for example by missing out on investment returns against those contributions if there were any potential delays with the processing. This is applied consistently, and can be said to be achieved 100% of the time.

Other core financial transaction service level agreed target timescales range as follows: redirection future contributions have a target for 100% of cases to be completed within 1 day, retirement processes target 90% of cases to be completed within 5 days, and investment switches have a target for 95% to be completed within 4 days.

The service levels are monitored on a daily basis.

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.

The Firm's strengths

Wesleyan has provided some details of their service levels over 2023. The information provided showed that target timescales had been achieved as follows: 100% for investment of new contributions, 92% for transfers in, 33% for fund switches, and 73% for other tasks (which we assume includes processing of retirements). More broadly, across all types of process, Wesleyan achieved their target of meeting the SLA in 85% of cases during 2023.

Wesleyan has provided GDPR and data protection policies. Additional measures were also described as having been implemented more recently, in undertaking some cyber penetration testing.

Data protection related errors were minimal in 2023 and there were no incidents that required reporting to the Information Commissioners Office.

Wesleyan undertake call monitoring, to ensure the quality of the information provided to policyholders on telephone calls is of a sufficient level.

During 2023, there were three policyholder complaints that were upheld. Wesleyan report that the correct complaints process was followed in all cases.

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 2023 were average, i.e. relative to the comparator group.

Areas for improvement

GAA observation

While Wesleyan has strong internal monitoring of service level standards, the relevant statistics are not captured in such a way to enable the GAA to be able to confidently comment on service level attainments, and in particular those relating to **core financial transactions** as opposed to wider activities.

In addition, it appears as though the variability in achieving target service levels, which has been commented upon in previous reports, has continued. The statistic for timescales achieved for fund switches is extremely low, with one possible scenario being that the measurement period which Wesleyan has set in this instance, is inappropriate.

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.

However, the workplace policies are an historical and reducing book of business and as such, does not benefit from specific engagement exercises. For example, there have been no targeted policyholder surveys for this population carried out in the last couple of years.

The Firm's strengths

Wesleyan have continued to prioritise and develop their sustainability policies and embed the resulting processes into the investment framework.

Wesleyan conducted a product review of the workplace policies in 2023 and the GAA has been provided with a copy of the report.

Improvements since last year

As mentioned in section 3 of this report, during 2023, the member online portal underwent a substantial upgrade. This was to add new features and to enhance the customer experience and provide additional information to customers and their IFAs.

In addition, during 2023, Wesleyan sent letters to the employers of those policyholders who are still contributing to highlight that these funds may not continue to be in their employees best interests and to encourage them to undertake a review. While this was a positive step in prompting action from the relevant employers, this only covers a small proportion of the overall policyholders within this book of business, with the majority no longer contributing.

Areas for improvement

GAA observations

The Firm should consider how to develop its proactive engagement with policy holders in order to obtain broader feedback on its product, for example through the use of policyholder surveys.

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 transactions 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

The three policy types have the following [Annual Management Charges](#) applied:

- | Group Retirement Account: 0.75% p.a.
- | Group Stakeholder Pension: 0.9% or 1.0% depending on whether the policy was first taken out before or after 6 April 2003
- | Group Pension Policies: 0.9% or 1.0% depending on whether the policy was first taken out before or after 6 April 2003. For policies issued after 1 June 2005, there was an initial annual management charge of 1.5% p.a. applied for the first 10 years, reducing to 1.0% p.a. thereafter.

For the Group Retirement Account, there was an allocation rate of 104% for new contributions (meaning that for every £1 paid in new contributions, £1.04 will be used to buy units in a policyholder's account). This largely cancels out a 5% bid/offer charge which also applies on contributions.

No charge is made when policyholders switch from one fund to another (although as stated, there is very limited fund choice and hence few transactions are carried out in practice).

The Firm's strengths

The funds are actively managed, for which you would expect a higher charging structure than funds which are set up to track an index. Taking the **active management** into account, the GAA consider that the charges applying to the Group Stakeholder Pensions and the Group Pension Policies to be moderately low, and the charges applying to the Group Retirement Account to be low.

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). Transaction costs are monitored on a monthly basis by the Risk Department and used for reporting purposes as appropriate. They would be discussed by exception at Investment Governance Committee as required.

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 2023 were 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 GAA was provided with minutes of four sustainability committee meetings held during 2023.

The Firm's strengths

For 2023, 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.

Improvements since last year

It is noted that the Sustainability investment team now spends 100% of its time on these matters, and is evidence of ongoing commitment in this area.

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](#).

Wesleyan has provided the GAA with the following disclosures in respect of the period 1 January 2023 to 31 December 2023 in respect of each of the funds.

Fund Name	Transaction Costs as a % of the overall fund
Wesleyan Pension Managed Fund	0.0030%
Wesleyan Pension With Profits Fund	0.0868%
Wesleyan Pension Deposit Fund	0%

Group Personal Pension

Projected pension pot in today's money

Year	Fund A: Managed		Fund B: With Profit		Fund C: Deposit	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	11,700	11,500	11,700	11,400	11,600	11,400
3	15,700	15,100	15,700	15,100	15,400	14,900
5	20,400	19,300	20,400	19,300	19,700	19,000
10	35,700	33,000	35,700	32,800	33,800	31,800
15	58,100	52,100	58,100	51,700	53,800	49,600
20	90,000	78,700	90,000	77,900	81,600	73,900
25	135,000	115,000	135,000	113,000	120,000	106,000
30	198,000	165,000	198,000	162,000	173,000	151,000
35	286,000	232,000	286,000	228,000	245,000	210,000
40	n/a	n/a	n/a	n/a	n/a	n/a

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 31 to 68, are assumed to be £100 per month in 2024 and increase at 5% 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%
 - With Profit fund: 5%
 - Deposit fund: 4.2%
7. AMC is assumed to be 1% for the Managed and With Profits Fund, and 0.75% for the Deposit Fund
8. Assumed you have opted out of lifestyleing

Group Stakeholder

Projected pension pot in today's money

Year	Fund A: Managed		Fund B: With Profit	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	11,700	11,500	11,600	11,400
3	15,700	15,100	15,400	14,900
5	20,400	19,400	19,700	19,000
10	35,700	33,000	33,800	31,800
15	58,100	52,100	53,800	49,600
20	90,000	78,700	81,600	73,900
25	135,000	115,000	120,000	106,000
30	198,000	165,000	173,000	151,000
35	286,000	232,000	245,000	210,000
40	n/a	n/a	n/a	n/a

Example 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 31 to 68, they start at £100 in the first year and increase in line at 5% 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%
 - Deposit fund: 4.2%
7. AMC is assumed to be 1.0% for the Managed Fund and 0.75% for the Deposit Fund

Group Retirement Account

Projected pension pot in today's money

Year	Fund A: Managed		Fund B: With Profit		Fund C: Deposit	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	11,700	11,600	11,700	11,500	11,600	11,500
3	15,700	15,200	15,700	15,100	15,400	14,900
5	20,400	19,400	20,400	19,300	19,800	18,800
10	35,800	33,000	35,800	32,800	33,900	31,200
15	58,200	52,300	58,200	51,800	53,900	48,400
20	90,300	79,300	90,300	78,400	81,900	72,000
25	135,000	116,000	135,000	115,000	120,000	104,000
30	n/a	n/a	n/a	n/a	n/a	n/a
35	n/a	n/a	n/a	n/a	n/a	n/a
40	n/a	n/a	n/a	n/a	n/a	n/a

Example 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 43 to 68, are assumed to be £100 per month in 2024 and increase at 5% 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%
 - With Profit fund: 5%
 - Deposit fund: 4.2%
7. AMC is assumed to be 0.75%

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 Workplace Group Personal Pension Plans.

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 2024.

Members of the GAA met with representatives of the Firm to kick off the Value for Money assessment process for the 2023 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.

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	26/01/2024
Kick off meeting	30/01/2024
Site visit	01/05/2024
GAA panel review meeting	30/05/2024
Discuss provisional scoring	06/06/2024

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 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/

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

Information on Dean’s experience and qualifications can be found at www.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 2023

	Workplace Group Retirement Account	Workplace Group Personal Pensions and Group Stakeholder Pensions
Number of employers	165	142
Total number of policyholders	396	591
- Contributing	23	37
- Non-contributing	373	554
Total value of assets (market value)	£7.86m	£9.76m



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