ZEDRA
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Chair's annual report

Curtis Banks
Workplace Personal Pension Plans

Year ended 31 December 2023

The ZEDRA Governance Advisory Arrangement (GAA)

September 2024

Executive summary

This report on workplace personal pension plans provided by Curtis Banks ("the Firm"), has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement ("the GAA") for pension policyholders. It sets out our 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 28 March 2022 and is publicly available (see Appendix D).

This report excludes SIPPs where two or more employees on the same employer's payroll had chosen the same SIPP, but which were not sold to be workplace personal pension plans (referred to as 'accidental workplace personal pension plans'). The Firm has determined that these accidental workplace personal pension plans fall outside the scope of our review. The GAA cannot determine the policies that fall within the remit of the GAA review. It is the Firm that is responsible for making this determination and the GAA report on the policies in the scope of our review. The GAA has previously recommended that the Firm should consider liaising with the FCA on the acceptability of this approach.

Our review focusses solely on the SIPPs which were sold to companies as workplace personal pension plans (referred to as 'Corporate SIPPs'). All bar one of these policies were sold by Pointon York and subsequently transferred to the Firm following the acquisition of the SIPPs from Pointon York in 2014.

There are two different groups of policyholders within the Corporate SIPPs:

- those who receive independent advice or are considered to be sophisticated (or high net worth) policyholders ('Advised Corporate SIPPs'); and
- those where the Firm has not been able to confirm that the policyholders are provided with independent financial advice and/or have not been classified by the Firm as sophisticated ('Non-advised Corporate SIPPs').

It is possible that some policyholders in this Non-advised Corporate SIPPs group may be advised or sophisticated, but the Firm has not yet been able to confirm this. The Non-advised Corporate SIPPs are the smaller of the two groups but still make up a significant proportion of the Corporate SIPPs (28% by headcount but 45% by account value) and therefore the GAA has assessed the Advised Corporate SIPPs and Non-advised Corporate SIPPs separately. This group of Non-advised Corporate SIPPs include three Corporate SIPPs for firms that are in insolvency (which make up 56% of the Non-advised Corporate SIPPs by headcount), with the majority of these policyholders in one Corporate SIPP.

In January 2023, Nucleus Clyde Acquisition Limited (a newly formed company wholly owned by Nucleus Financial Platforms Limited), announced an agreement to acquire Curtis Banks Group plc. The acquisition was approved by the Firm's shareholders in February 2023 and the acquisition completed in September 2023. In February 2024, the operations function at Curtis Banks was transferred to FNZ, a shareholder in Nucleus. As the GAA review only covers a review of the workplace personal pension plans in the twelve-month period to 31 December 2023, this restructuring of the operations function is not considered further in this report.

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the Curtis Banks Workplace Personal Pension Plans. 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 provided to advised and sophisticated policyholders against what they pay for those services. Less weighting is placed on investment strategy than other criteria, since the Firm has no role in setting or managing investment strategies for these policies. Further details are set out on page 7.

A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

	Advised Corporate SIPPs		Non-advised Corporate SIPPs	
	Weighting toward VfM assessment*	Score	Weighting toward VfM assessment*	Score
1. Product strategy design and investment objectives	7%	🟢	13%	🔴
2. Investment performance and risk	7%	🟣	10%	🔴
3. Communication	20%	🟢	17%	🟢
4. Firm governance	7%	🟢	7%	🟢
5. Financial security	7%	🟣	7%	🟣
6. Administration and operations	17%	🟡	10%	🟡
7. Engagement and innovation	3%	🔴	3%	🔴
8. Cost and charge levels**	33%	🟡	33%	🔴
Overall Value for Money assessment	**100%**	🟢	**100%**	🟡

** May not add to 100% due to rounding.*

*** As the Firm generally charge a fixed fee, while SIPP charges are generally low, the fixed monetary charges can be high for some policyholders when expressed as a percentage of accounts. The rating shown reflects an average across the respective groups, but there is a greater impact across the policyholders in the Non-advised Corporate SIPPs due to the larger proportion of smaller accounts.*

Quality and investment features (1–7)

🟣 Excellent 🟢 Good 🟡 Satisfactory 🔴 Poor

Cost and charge levels (8)

🟣 Low 🟢 Moderately Low 🟡 Moderately High 🔴 High

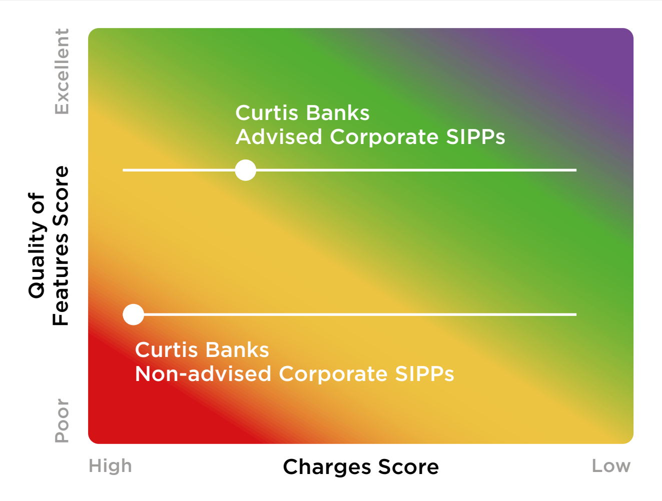
How we determine our Value for Money rating is set out on page 7 of this report. The overall Value for Money is visually represented by the heatmap below.

Our conclusion is that:

- **the Advised Corporate SIPPs provide good value for money overall, but due to the impact of the fixed monetary charges on smaller accounts, around 3% of the policies have been assessed as providing satisfactory value for money due to the size of charge relative to their account size; and**
- **the Non-advised Corporate SIPPs provide satisfactory value for money overall, due to the impact of the fixed charges on smaller accounts and the additional investment aspects that the Firm is deemed to be responsible for. However, approx. 34% of this group of policies by number have been assessed as providing good value for money where the cost and charges levels are low because either fees are met by the employer, or the size of charge is smaller relative to the account size.**

We have therefore illustrated the range of charges using a line on the heatmap.

VALUE FOR MONEY SCORING



The GAA intend to raise the following concerns with the firm:

- to consider the impact of the fixed charge on small pots where this results in a very high charge when expressed as a percentage of the funds invested with a view to improving the value for money for these policies.
- to comply with the FCA requirement to make available the required disclosures on costs and charges (taking into account the waivers the firm holds).

The GAA will request a response from the Firm by next year's review and will provide an update in next year's report, or sooner if appropriate.

In addition, the GAA has challenged the Firm to:

- consider restrictions on the range of investments that non-advised policyholders can make or place limits on their investment decisions without taking appropriate advice or definitive confirmation that policyholders are "high net worth" or "sophisticated" investors.
- Improve the scope of the investment review carried out and for it to be made more relevant to the nature of the underlying policyholders to the extent that any non-advised policyholders remain once the review of the status of policyholders has concluded.

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. 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. Our assessment identifies that the overall cost and charge level paid by the Firm's Non-advised Corporate SIPPs policyholders over 2023 is significantly above average relative to the comparator group particularly due to the impact of the fixed charge on small funds. We will make a notification to the Firm in respect of this.

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. TPRs 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.

Steve Longworth

Chair of the ZEDRA Governance Advisory Arrangement for Curtis Banks

September 2024

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:

SIPP Support Team, Curtis Banks,
3 Temple Quay, Bristol, BS1 6DZ

Telephone: 0370 414 7000
ProductGovernanceTeam@nucleus.com

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 the Firm to its workplace personal 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 quality of investment and other 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 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 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 the GAA's 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 of 0 to 4. 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 cost and charges which policyholders bear. The assessment of cost and charges 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.

Value for money assessment framework for Group SIPPs

This section comments on how we have applied our value for money assessment framework in the case of advised group Self-Invested Personal Pension Plans ("SIPPs").

The FCA has prescribed specific features that the GAA must assess, as discussed in the framework described above. However, some of these do not directly apply in the SIPP environment where the policyholder is advised or sophisticated and are only relevant to the GAA due to the classification of Group SIPPs as workplace personal pension plans. In isolation, the SIPP regulations do not require that providers consider these aspects, and we explain this below.

The FCA requires the GAA to assess whether:

1. "default investment strategies are designed and managed taking the needs and interests of **relevant policyholders** into account"
2. "default investment strategies have clear statements of aims and objectives"
3. "all investment choices available to relevant policyholders, including default options, are regularly reviewed to ensure alignment with the interests of relevant policy holders"

Under the rules of a SIPP, the policyholder directs the investment strategy, and is usually guided by their FCA authorised IFA. The SIPP provider does not have a role in designing or managing investment strategies nor in setting their aims and objectives or monitoring investment performance and risk. These roles are fulfilled by the FCA authorised IFA or the policyholder or, in some cases, potentially by the employers where appropriate.

For some Group SIPP providers there are policyholders who choose this type of pension because they are "certified high net worth" or "sophisticated" investors as defined in FCA Handbook **COBS** 4.12.6/7/8 R. In these cases, our interpretation is that the provider can assume that the policyholder is able to design the strategy and evaluate whether they are obtaining value for money over time from their investments.

By their nature, SIPPs can invest in "non-standard" assets such as the unquoted shares or business premises of the employer. In such cases, it is likely that the policyholder themselves will be much better placed to obtain information on, and understand the characteristics and net performance of, such strategies, rather than the Firm. The Firm is not able to make changes to the investments because, as described, it has no role in setting or managing investment strategies. The Firm can raise concerns but cannot require action to be taken.

Nearly all Group SIPPs, including those offered by the Firm, do not have default funds in operation because each member is choosing their own investments or has an appointed IFA.

Accordingly, the GAA has not assessed the Firm in relation to the first two areas highlighted above for such policyholders.

Further, the GAA would only carry out an assessment of the third area where there are unsophisticated or non-advised policyholders. In cases where the policyholder is "certified high net worth" or "sophisticated" or advised by an FCA authorised IFA, the GAA has focused on ensuring this is evidenced.

Similarly, the GAA has not assessed the Firm in relation to transaction costs and the charges paid directly to the underlying investment managers over which the Firm has no control or influence, instead focussing on ensuring that such charges are appropriately disclosed to 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 to set out the GAA's views on the adequacy and quality of the Firm's policies on ESG financial considerations, non-financial considerations, and stewardship to the extent these apply to the Firm. Largely, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders.

A comparative assessment of the Firm's pension product has also been made of the quality of communication and quality of the administration service including the processing of core financial transactions, SIPP provider-controlled costs and charges and the disclosure of cost and charges relative to a suitable comparator group of product providers. We have not included an assessment of net investment return as this does not apply to a SIPP provider. 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

Advised Corporate SIPPs value score:	○ Excellent	● Good	○ Satisfactory	○ Poor

Non-advised Corporate SIPPs value score:	○ Excellent	○ Good	○ Satisfactory	● Poor

What are we looking for?

Given the limited involvement of the Firm in designing investment strategies, we seek confirmation that all SIPP policyholders can be considered as fully advised or sophisticated investors.

We expect 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 policyholders are reminded to review their investments regularly.

We look for evidence of a robust decision process on the suitability for adding new investment funds onto the platform.

For any policyholders who do not receive independent financial advice and who are not sophisticated investors we consider the support provided by the Firm to assist policyholders with reviewing their investment choices to ensure they remain appropriate. However, where there is default investment strategy, we expect to see an investment strategy that is designed and managed taking the needs and interests of workplace pension policyholders into account, evidenced by appropriately defined risk ratings, and consideration of the investment time horizon and age profile of the membership.

The Firm's approach

The rules for SIPPs allow policyholders greater flexibility in the investment strategy adopted, albeit this is generally with the guidance of an appropriate IFA.

The Firm does not have a role in designing or managing investment strategies nor in setting their aims and objectives. Rather, this is deemed to be carried out by the policyholder or their IFA.

The Firm does not generally review investments made available on the platform for alignment with the interests of relevant policyholders. Instead, any review is restricted to ensuring the investment fund meets with the guidelines of permissible investment for this class of investor.

Policyholders are reminded to review their investments as part of their annual statement.

There are default investment arrangements in place for four of the Non-advised Corporate SIPPs. Some of these arrangements were put in place at the outset when the plan was advised. Of these four schemes, one is deemed to have a default investment strategy by the Firm as the firm is in administration as the accounts were disinvested into a cash fund, and two of the default arrangements have a lifestyle strategy.

The other Non-advised Corporate SIPPs investments are either all with discretionary fund managers where the fund manager will be reviewing the investments or invested in cash funds awaiting the policyholder to arrange a transfer to another policy.

The Firm reviews the default arrangements annually and reports to its investment committee, although this review does not consider the suitability of the investment strategy for the underlying policyholders.

The Firm are not authorised to provide investment advice and are therefore unable to carry out and execute any changes as a result of their investment review. Similarly, the Firm do not consider that they are able to influence the investment strategies chosen by the discretionary fund managers.

The Firm's strengths

The range of funds made available to policyholders is extensive. Any investment requested by policyholders and/or their employers and IFAs is made available as long as the investment is permissible to this class of investor. The Firm will put in place an Investment Management Agreement ("IMA") before allowing an investment. The investment committee oversees and reviews compliance of the IMAs in place.

Most of the Corporate SIPPs invest with discretionary fund managers.

The Firm carries out a review of the default arrangements to report on investment performance, where this is made available to them.

The GAA acknowledge that the Firm's role in strategy design and investment objectives is very limited.

Improvements since last year

During November and December 2023, the Firm wrote to Corporate SIPP policyholders. For Non-advised policyholders, this was to provide details of their advisor, if the policyholder did have an IFA in place or to confirm their status as a "high net worth" or "sophisticated" investor and otherwise to urge them to appoint an IFA and to recommend that advice is taken. The outcome of this exercise will be considered in our next report.

The letter highlighted that the policyholder should review whether the policy provides value for money for them (with their IFA, if they have one appointed).

The Firm has also continued to engage with the GAA about the extent of the review of investments that is required on their part and is seeking to develop the nature of its review. Historically, fund factsheets were not provided to the GAA for the underlying investment options for the Non-advised Corporate SIPPs, but the Firm has been able to collate a significant number of these for the GAA.

Areas for improvement

GAA observations

As progress has been made in checking the advised status of members, the GAA is not raising this as a further challenge, but as an observation. This exercise was carried out late in the year and therefore any subsequent changes to the advised status of policyholders will be taken into account in our next report when we expect to provide an update. The GAA would also like to see this exercise repeated so that the status of all policyholders is clear and that those without advisors do take steps to address this.

GAA challenge

There does not appear to be restrictions on the range of investments that non-advised policyholders can make or any limit on their investment decisions. Therefore, the GAA challenges the Firm to consider limiting the range of investments that non-advised policyholders can to limit their investment decisions without appropriate advice or definitive confirmation that policyholders are "high net worth" or "sophisticated" investors.

2. Investment performance and risk

Advised Corporate SIPPs value score:	● Excellent	○ Good	○ Satisfactory	○ Poor

Non-advised Corporate SIPPs value score:	○ Excellent	○ Good	○ Satisfactory	● Poor

What are we looking for?

For advised policyholders, the GAA acknowledges that the Firm has a limited role in that it makes available investment options but does not assess the performance of those funds as this falls within the remit of the policyholder who may be guided by their IFA. We focus on the processes the Firm has in place to monitor that IFAs remain in place on an ongoing basis and look for evidence that the Firm regularly reminds policyholders to review their investment choices with their IFA.

Nevertheless, we expect to see a robust governance framework under which investment performance information is regularly gathered and made easily accessible to policyholders and advisers. The performance results disclosed should be assessed against investment objectives, including against a measurable and stated benchmark and should be net of investment fees.

For non-advised policyholders, the GAA expects the Firm to assess investment performance. 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

The Firm do not generally monitor investment performance and risk themselves, as this is considered to fall within the remit of the IFA and the policyholder or the discretionary fund manager.

The Firm are not permitted under their regulatory regime to provide any elements of investment advice, and they cannot make changes to policyholders' investments without the request of a policyholder.

The Firm monitor investment performance and risk annually for the Non-advised Corporate SIPPs with performance being compared against benchmarks, although this has been to a limited extent.

The Firm recognise that they have a duty of care to the policyholders and will make the policyholders aware of any change in the status of the investment funds that a policyholder is invested in (for example, an investment manager losing their regulated status).

The Firm's strengths

For the advised policyholders, the Firm have a limited role to play in this aspect of the product. They check that an advisor remains in place and signpost to the IFA within documentation sent to the policyholder.

For the Non-advised Corporate SIPPs, a review of investment performance has historically been carried out annually, but to a limited extent and the Firm is of the view that there is nothing that they can achieve with the review other than updating policyholders. It may be difficult to remove an investment from the platform, for example, if this is also used by other advised policyholders.

Improvements since last year

The Firm has also continued to engage with the GAA about the extent of the review of investments that is required on their part and is seeking to develop the nature of its review. Historically, fund factsheets were not provided to the GAA for the underlying investment options for the Non-advised Corporate SIPPs, but the Firm has been able to collate a significant number of these for the GAA along with additional information on the funds.

Net Investment Performance

Net investment performance is not assessed for the Advised Corporate SIPPs and not considered to be applicable for the assessment against comparators as this is deemed to be the responsibility of the IFA.

However, for the Non-advised Corporate SIPPs, this should be considered for all the funds available to policyholders. However, given the range of funds available in the Non-advised Corporate SIPPs and the information made available to the GAA, the GAA has focussed on the most significant funds.

Information has been provided on performance against benchmarks for the year to 31 December 2023 for the largest Non-advised Corporate SIPPs where the policyholders invest.

The largest Non-advised Corporate SIPP invests in Castlefield's Progressive Pension Portfolio Lifestyling Scheme. This contains ten different profiles reflecting different asset types depending on the number of years to expected retirement. The figures shown are for different profiles and are before taking into account the fees charged by the Firm. In addition, figures are shown below for the second largest of the Non-advised Corporate SIPP which allows policyholders to invest in the Phoenix UK and Huginn funds.

Profile	Net Investment Performance over 12 months to 31 December 2023	Bench-mark
Castlefield's Progressive Pension Portfolio Lifestyling Scheme		
1. Growth (high risk 100% equity)	**6.7%**	**5.5%**
2. Growth (medium risk 80% equity)	**6.3%**	**5.5%**
3. Balanced (60% equity)	**6.2%**	**4.9%**
4. Balanced (41% equity)	**6.0%**	**4.9%**
5. Balanced (27% equity)	**6.6%**	**4.9%**
6. Balanced (0% equity)	*	**4.9%**
7. Income (10% cash)	**6.3%**	**4.0%**
8. Income (15% cash)	*	**4.0%**
9. Income (20% cash)	*	**4.0%**
10. Income (25% cash)	**5.2%**	**4.0%**
Phoenix UK Fund	**32.8%**	**7.7%**
Huginn Fund (all classes)	**28.6%**	**16.1%**

** Reported figures excluded from table due to the size of the fund (all below £300 at 31 December 2023) and changes over the year that distort the reported figure.*

This table only covers two of the Non-advised Corporate SIPPs and the other funds will have different performance and may be measured against different benchmarks. However, these are the two largest Non-advised Corporate SIPPs and that information has been provided on. The figures may not therefore be relevant for other policyholders.

Comparator results

We have assessed how the Net investment performance provided to the Firm's policyholders in the largest Non-advised Corporate SIPPs compare 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 to the extent this information has been made available.

This assessment identified that the one-year net investment performance for the Firm's policyholders over 2023 for the Non-advised Corporate SIPPs considered was above average for the comparator group in relation to default and other funds on offer.

This assessment only considers the two largest Non-advised Corporate SIPP. We have not made an assessment for other Non-advised Corporate SIPPs.

Areas for improvement

GAA challenge

To the extent that any non-advised policyholders remain once the review of the status of policyholders has concluded, the GAA would like to see an improvement in the scope of the investment review carried out and for it to be made more relevant to the nature of the underlying policyholders.

The Firm is aware of the need to carry out this assessment and has been seeking to improve its review to be able to report more fully on this.

3. Communication

Advised Corporate SIPPs value score:	○ Excellent	● Good	○ Satisfactory	○ Poor
Non-advised Corporate SIPPs 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.

Where the Firm is communicating directly with policyholders, 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 and investment 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 and investment charges and transaction costs on an annual basis.

Although an advised policyholder would expect to get most of their support from their IFA, in a high-quality communication service offering we would expect the Firm to offer substantial additional support. This would include a range of tools and materials such as online calculators to enable personalised calculations although these may be made available via the policyholders IFA rather than to the policyholder directly. We would expect telephone support to be available, with good evidence of telephone scripts, call monitoring and staff training.

Additionally, we expect policyholders or their IFAs to be able to switch investment options online and for non-advised policyholders 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 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

The Firm provides policyholders with annual benefit statements. The usual wake-up packs are issued two months prior to policyholders' 50th, 55th, 65th and 75th birthdays with reminders sent thereafter if benefits have not been taken.

These communications are clear with all the relevant information. Annual statements remind policyholders that they should regularly review their investments with their IFA. Pension scams are highlighted to make policyholders aware of the risks.

Additional information is provided online for policyholders both via the general website that provides additional literature and help guides and the online portal that provides information about policyholder's investments.

Currently, retirement and annual projections are not available to clients online and are issued via the post.

Policyholders are signposted to Pension Wise and reminded to seek appropriate IFA advice.

There is a helpline aimed at IFAs and policyholders who are also able to contact the Firm using secure messaging on the website. If the client management team cannot deal with a query, it is sent to the back-office team for support.

Newsletters are sent out to non-advised policyholders twice a year. For advised policyholders, IFAs are expected to lead the communications.

It is not possible to purchase annuities through the Firm. The SIPP can be used for flexible drawdown or an uncrystallised funds pension lump sum can be taken otherwise policyholders will need to transfer elsewhere for other retirement options.

The Firm's strengths

The Firm's communications are clear with all the relevant information clearly displayed. Policyholders are provided with access to support and additional information as required. Policyholders who are advised will be supported further by their IFAs. The Firm signpost policyholders to support for them to be able to make appropriate decisions.

Policyholders are able to use the secure messaging facility on the Firm's website to contact the client management team to send investment instructions.

Comparator results

We have assessed how the communication materials provided to the Firm's policyholders compare to other sufficiently similar workplace 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 relative to the comparator group.

Areas for improvement

GAA observations

In February 2024, the operations function at Curtis Banks was transferred to FNZ. This restructuring of the operations function is not considered further in this report. The GAA expect to comment on the changes in its next report.

The GAA would like to see evidence of scripts and flowcharts for call sequencing as these were not provided during this year's review.

4. Firm governance

	Excellent	Good	Satisfactory	Poor
Advised Corporate SIPPs value score:	○	●	○	○
Non-advised Corporate SIPPs value score:	○	●	○	○

What are we looking for?

We 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 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, including a clear process for monitoring whether all policyholders either continue to have an independent financial adviser in place or remain classified as a "sophisticated investor" with evidence of regular reviews being completed and appropriate steps being taken, as required.

The Firm's approach

There is a process in place to ensure only allowable investments are used by SIPP policyholders.

The Firm relies on internal teams to operate its information technology services and this is monitored regularly by the Group Financial Crime and Information Protection Committee.

The Firm's strengths

The Firm has evidenced a robust governance process by providing a suite of policies and procedures that are in place along with terms of reference for the Group Investment Committee.

The GAA were also provided with evidence of the Investment Committee's process for approval of allowable investments and investment funds.

The Firm operates three lines of defence which includes the Risk and Compliance team and Governance committees with additional oversight by internal audit.

Improvements since last year

Following the acquisition by Nucleus in February 2023, the firm benefits from Nucleus's Customer Outcomes Committee which oversees all product wrappers and the digital portals of its subsidiaries.

According to the Terms of Reference provided to us, the main role of the Customer Outcomes Committee is to deliver good outcomes for customers, and to ensure the firm is acting with good conduct in relation to customers and adhering to Consumer Duty.

Areas for improvement

GAA observations

The GAA looks forward to the results of the review of advisor status completing and this will be taken into account in our next report. The GAA would also like to see this exercise repeated so that the status of all policyholders is clear and that those without advisors do take steps to address this.

5. Security of policyholder benefits

Advised Corporate SIPPs value score:	● Excellent	○ Good	○ Satisfactory	○ Poor

Non-advised Corporate SIPPs 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

The Firm is focussed on providing financial advisers and policyholders with the breadth and flexibility of investment range needed to achieve positive investment outcomes.

There are strong processes in place to protect policyholders from scams.

Staff receive annual training covering areas including Anti-Money Laundering and fraud prevention.

Customer assets benefit from Financial Services Compensation Scheme (FSCS) protections are available for policyholders in the event of a failure within the Firm.

The Firm's computer systems are protected to a high standard from cyber-attacks and are regularly monitored.

The Group Financial Crime and Information Protection Committee provide oversight to Information security. Regular penetration testing is conducted annually by an external party with all public facing systems reviewed.

The Firm's strengths

We have no concerns about the financial strength of the Firm. The Firm provided a copy of their AKG rating report to the GAA. The Firm maintain an AKG rating of B (Strong) with the latest report issued in November 2023. This is the third highest rating after A for Superior and B+ for Very Strong. The report also assessed the ratings for business performance which scored 5 out of a maximum of 5 stars.

The Firm demonstrated a keen awareness of scams and portrayed a robust process for protecting members from scams.

Two phishing tests were conducted during 2023, with evidence provided to the GAA.

There is a Vulnerable Customer Policy in place and training is provided to staff on financial crime, information security and GDPR both when they start and on an annual basis.

Areas for improvement

The GAA did not identify any specific areas for improvement.

6. Administration and operations

Advised Corporate SIPPs value score:	○ Excellent	○ Good	● Satisfactory	○ Poor
Non-advised Corporate SIPPs 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 expect to see a low level of substantive complaints and demonstration of a clear process for resolving complaints.

The Firm's approach

During 2023, the Firm ran its administrative services in-house with a dedicated team running a task management system and appropriate service level agreements ("SLAs") are in place, which are regularly monitored by the Group Operational Risk & Compliance Committee.

The Firm changed the way that they monitor and report SLAs partway through 2023 following the acquisition by Nucleus.

The Firm manage a series of business continuity plans across their entire book of business and review these plans annually. The workplace pension schemes are heavily integrated into "business as usual" processing and the Firm consider it is not therefore appropriate for them to be subject to standalone protocols for business continuity planning.

There is a clear complaints handling procedure in place that is available on the Firm's website.

The Firm's strengths

The firm achieved an average of 94% for all transactions against its SLA target prior to the acquisition (Q1 to Q3) and an average of 96% after the acquisition (Q4). core financial transactions were generally processed promptly. However, there were quite a few instances where SLAs were missed.

Only one complaint was received during the year in respect of the Corporate SIPPs. The Firm complaint was partially upheld, and the complainant was awarded a payment of £50.

The GAA was provided with a demonstration of the Firm's business continuity plan.

An annual security test was completed over December 2023 to January 2024 with all public facing systems in the scope of review.

Improvements since last year

The SLA reporting put in place following the acquisition by Nucleus is more detailed and granular than beforehand.

The number of complaints across the Corporate SIPPs was significantly lower than the previous year.

Some issues highlighted in the 2022 security tests were fixed, and the Firm noted that it had improved system stability and allowed more thorough testing to be completed.

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 workplace pension arrangements.

This assessment identified that the administration services provided to the Firm's policyholders over 2023 were average to the comparator group.

Areas for improvement

GAA observations

The GAA expects the Firm to continue to monitor SLAs during 2024 operating under its new guidance notes and hopes to see improvements in areas where SLAs were not met whilst maintaining high response rates in other areas.

The GAA would like to see evidence of penetration testing in next year's review and that the Firm continues to address and rectify any issues that require action with ongoing regular testing still carried out.

In February 2024, the operations function at Curtis Banks was transferred to FNZ. This restructuring of the operations function is not considered further in this report. The GAA expect to comment on the changes in its next report.

7. Engagement, innovation and improvements for policyholder experience

Advised Corporate SIPPs value score:	Excellent	Good	Satisfactory	Poor
	○	○	○	●

Non-advised Corporate SIPPs 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 less 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 or their advisers to obtain feedback and for this feedback to be taken into account when reviewing the product offering..

The Firm's approach

Benefit statements and newsletters sent to policyholders invite feedback. Feedback is also sought after adviser webinars, which provide 'live' answers from attendees.

The Firm do not currently have specific client satisfaction surveys or website analytics for the workplace population but monitor reviews placed on Trustpilot.

Note that the Firm did not note to the GAA that there had been any improvements or innovations during the year ending 31 December 2023 other than removing fees on transfers out (covered in the next section) as the focus of the Firm was on Consumer Duty and the integration with Nucleus and planning for the separation of the operations functions.

The Firm's strengths

The Firm's product review process includes a Product & Service Assessment covering the requirements of Consumer Duty outcome 1. This is completed initially within the open/closed implementation dates for Consumer Duty and is then repeated at a frequency driven by the risk of poor outcomes presented by the particular product. The reviews range from every 2 years for relatively high-volume products open to new business to every 4 years for closed products with relatively few customers. The cycle can be accelerated as required or an assessment triggered by a significant change to product or proposition. In 2023 an assessment was completed for the Corporate SIPPs that are open.

There is an automatic feed of the Firm's Trustpilot reviews (rated Excellent) and the Firm reply and respond to all negative reviews. https://uk.trustpilot.com/review/www.curtisbanks.co.uk

The Firm also collate data from all the Net Promoter Score (NPS) surveys completed, focusing on the new business journey, drawdown and property purchase.

Areas for improvement

GAA observation

Although feedback is invited from policyholders, the GAA expects the Firm to develop its proactive engagement with policyholders in order to obtain broader feedback on its product, for example through the use of policyholder surveys. The GAA has previously made an observation in respect of this but has not seen any action taken in respect of this. The GAA would expect to raise this as a challenge to the Firm, but given the changes within the Firm with the operations team moving to FNZ, the GAA appreciates there have been other priorities to focus on, but would like to see some improvement in the feedback process.

8. Cost and charge levels

	Low	Moderately Low	Moderately High	High
Advised Corporate SIPPs value score:			●	
Non-advised Corporate SIPPs value score:				●

What are we looking for?

The GAA has considered the overall level of charges borne by policyholders over the year that are within the control of the Firm. This included assessing:

- the annual administration charges being borne by policyholders;
- any other charges being paid to the Firm by policyholders to manage and administer their workplace pensions;
- the process for collecting and monitoring overall member charges, including transaction costs;
- whether the overall level of charges within the control of the Firm is reasonable, bearing in mind the nature of the services provided by the Firm;
- the distribution of charges across policyholders.

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

Where policyholders are advised or sophisticated investors, we do not include charges which policyholders will incur specifically in relation to the underlying investment funds, nor the charges which a policyholder may incur in relation to obtaining advice since both are outside the control of the Firm.

Required disclosures relating to costs and charges payable by the Firms policyholders can be found in Appendix A.

The Firm's approach

There are different charging structures in place for the Corporate SIPPs provided by the Firm.

Varying fees are charged with some policyholders charged as a percentage of their account value and some in monetary terms. In most cases, charges are met from members' accounts, but for some schemes, some of the charges are met by the employer, which is clearly better value for money for the policyholder.

The annual product fee for the Corporate SIPPs is generally between 0.125%-0.30% or where expressed in monetary terms (from £85 to £420 per annum), depending on factors specific to each scheme. The majority of the fixed annual fees on policies have been increased between 2022 and 2023 by between £5 to £12 per annum.

Policyholders may also pay asset management charges and fees to an IFA, which may be deducted from their fund. The Firm do not control these charges but apply an overall reasonableness check on the fees at the outset (through the Investment Management Agreement) and apply checks on payment of the fees. In any event the Firm do not benefit from them.

The GAA has not been provided with complete information on indirect investment costs (including transaction costs). However, we understand that these are disclosed individually to all policyholders annually in line with the requirements of PS19/21 (the Policy Statement issued by the FCA) to the extent this information is provided by the underlying fund managers.

The review of costs is limited as the Firm do not consider themselves to be responsible for the underlying investments although should be carrying out this review for the non-advised Corporate SIPPs.

The Firm's strengths

When considered in percentage terms, fees charged by the Firm are generally low, however policyholders with smaller accounts can pay a higher percentage charge. The Firm believes this is fair because the work involved on their part does not depend on the account size.

For the advised Corporate SIPPs, the proportion of small policies with a fixed monetary charge is lower than for the non-advised Corporate SIPPs. This results in a difference in our assessment of these two groups.

The following table shows the impact of the Firm charges on the Advised and Non-advised Corporate SIPPs but excludes the 198 pots that are less than £300 and will have very poor value for money when fixed monetary charges are applied and which would soon be extinguished by the charges. This demonstrates the difference in the overall score applied in this section. For illustration, we have shown this as a range in our chart in the executive summary.

Proportion of policies in each group	Advised Corporate SIPPs	Non-advised Corporate SIPPs
<0.25%	58%	47%
0.25-0.35%	37%	18%
0.35-0.45%	1%	7%
>0.45%	5%	28%

For those policies shown above with higher charges, they can be significantly higher than 0.45% due to the impact of fixed monetary charges on small accounts. This therefore distorts the average account charge resulting in a lower rating than would otherwise be the case. For example, the average charge for policyholders in the bottom group (charges >0.45%) is 2.82% for the Advised Corporate SIPP policyholders and 3.66% for the Non-advised Corporate SIPP policyholders for policyholders with pots larger than £300. These represent poor value for money and where the annual charge has been increased will have been made even worse value for money as the impact of the increase will also be disproportionate to the pot size.

In addition, for the Non-advised Corporate SIPPs, underlying investment charges are taken into account in our overall assessment as the Firm is deemed to be responsible for the investments for this group (although these are not included in the analysis above).

The GAA has not been provided with transaction costs for the Corporate SIPPs. We understand that these are disclosed individually to all policyholders annually in line with the requirements of PS19/21 (the Policy Statement issued by the FCA) as provided by the fund managers.

The GAA expect to be provided with evidence or confirmation that the Firm is obtaining costs and charges including transaction costs in DC workplace methodology and passing these on to policyholders, as required by the FCA.

Improvements since last year

As part of the exercise undertaken during November and December 2023, when the Firm wrote to Corporate SIPP policyholders, policyholders were provided with further details of the charges applied to their policies and asking policyholders to consider whether the policy provides value for money for them (with their IFA, if they have one appointed).

In 2023, the Firm removed the fees relating to transfers out of the Corporate SIPPs (except via a ROPS), the final SIPP closure fees and fees relating to passing on funds following a SIPP closure.

The Firm has worked with the GAA to review the small pots that have high charges applied (when expressed as a percentage) and provided more detail on these cases. In some cases, it is clear that high charges apply due to actions taken by the policyholder during the year withdrawing funds and leaving a smaller fund to which the same charge is applied or where a new policy has been taken out and is starting to grow, but there were still a significant number of policies where this is not the case.

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 workplace 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 relative to the comparator group for the Advised Corporate SIPPs but significantly above average relative to the comparator group for the Non-advised Corporate SIPP.

Areas for improvement

GAA concerns

The GAA has challenged the Firm previously to consider the impact of the fixed charge on small pots and was disappointed to see that charges were increased for the majority of polices negatively impacting the small pots where an increase was applied. The GAA intend to raise a formal concern with the Firm about the impact of the charge on small pots.

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.

Typically, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders.

The Firm's approach

The GAA has not considered these issues as the Firm is a SIPP provider and as such is not responsible for having an investment strategy or making investment decisions.

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 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 policyholder is able to select. They should also include an illustration of the compounding effect of the administration and investment 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 provided these previously only in respect of the default arrangements and the GAA raised a formal concern in respect of this.

The Firm had previously applied to the FCA for a waiver in respect of this requirement and received a waiver for **COBS** 19.5.7R(9) and 19.5.13R(3) that meant it was not required to meet the disclosure requirements for any fund that a policyholder could invest in, but only provide disclosures in respect of each fund the policyholder was invested in and for any default arrangements. This waiver has now been further extended so that going forwards it will only need to provide disclosures in respect of each default arrangement. However, this is not retrospective and the requirement to provide fuller disclosures is still required this year.

The GAA understands that the Firm will not make available the required disclosures on costs and charges within the required timescale. This includes information on administration charges and transaction costs to be made available on a public website for all funds, as well as illustrations of the compounding effect of the administration charges and transaction costs for a selected range of representative funds.

The GAA acknowledged that the Firm already provided detailed personalised cost and charge information to policyholders and their advisers in relation to their own accounts, however this did not fully comply with the FCA requirements.

However, the GAA will raise this as a formal concern with the Firm as they remain in non-compliant form.

The Firm will work with operations and investment team at FNZ to obtain the data required for the disclosures going forwards.

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, the GAA 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. 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 Advised Corporate SIPPs and the Non-advised Corporate SIPPs respectively.

Comparison of Net Investment Performance

For the Non-advised Corporate SIPPs, 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 charge
- Other costs and charges
- Approach to cost data collection and disclosure

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 meet 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 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 the majority of 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, significant work was undertaken to improve the data request 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	06/02/2024
Kick off meeting	14/02/2024
Site visit	22/04/2024
Gaa panel review meeting	22/05/2024
Business continuity plan walk through	24/07/2024

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 the website.
- 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. The Firm has included details of this contact e-mail address on **www.curtisbanks.co.uk/client**

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.

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.

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 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.

The terms of reference for the GAA agreed with the Firm can be found at: www.curtisbanks.co.uk/client

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

Data table as at 31 December 2023

	Curtis Banks Corporate SIPPs		
	Advised Corporate SIPPs	Non-advised Corporate SIPPs	Total
Number of schemes	14	12	20
Total number of policyholders	630	321	891
Total value of assets (market value)	£18.9m	£13.1m	£32.0m

Notes:

The Firm's Corporate SIPPs are pension plans that were sold to employers for use as workplace personal pension plans. All bar two of the policies were sold by Pointon York, before the Firm acquired the business of Pointon York.

a. *Total number of schemes shown above does not total the sum of the number of schemes shown as Advised and Non-advised Corporate SIPPs as some schemes contain advised and non-advised policyholders*

b. *None of the schemes are used for auto-enrolment purposes*

c. *Four of the Non-advised Corporate SIPPs have a default investment strategy*

d. *The market value of assets shown above excludes the assets for the Talbot & Muir Goldcroft scheme. For this scheme, all policyholders are included as Non-advised policyholders although some of them are likely to be Sophisticated investors.*

e. *Three of the employers are in insolvency covering 159 policyholders (148 policyholders relating to one of these employers). Eight of these policyholders are confirmed to be advised and the remainder are assumed to be non-advised.*

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