



ZEDRA

DO MORE. ACHIEVE MORE.

# Chair's annual report

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## OneFamily Workplace Personal Pension Plan

- | Year ended 31 December 2022
- | The ZEDRA Governance Advisory Arrangement (GAA)

September  
2023



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## Executive summary

**This report on the Workplace Personal Pension Plan provided by OneFamily ('the Firm'), has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement ('the GAA') for OneFamily and 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 Terms of Reference, agreed with OneFamily, the latest version of which is dated 4 April 2022 and are publicly available (see Appendix D).

This is our 8th annual report.

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the OneFamily Workplace Personal Pension Plan. The GAA has conducted a rigorous assessment of the Value for Money ('VfM') delivered to policyholders over the period 1 January 2022 to 31 December 2022. 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 of this report.

## A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

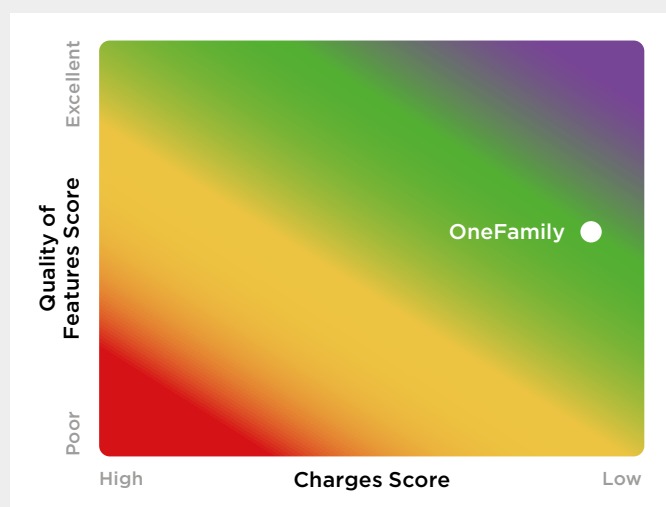
	Weighting toward VFM assessment*	OneFamily Workplace Personal Pension Plan
1. Product strategy design and investment objectives	13%	●
2. Investment performance and risk	10%	●
3. Communication	17%	●
4. Firm governance	7%	●
5. Financial security	7%	●
6. Administration and operations	10%	●
7. Engagement and innovation	3%	●
8. Cost and charge levels	33%	●
<b>Overall value for money assessment</b>	<b>100%</b>	●

\* May not add to 100% due to rounding

<p><b>Quality of service and investment features (1-7)</b></p> <p>● Excellent ● Good ● Satisfactory ● Poor</p>	<p><b>Cost and charge levels (8)</b></p> <p>● Low ● Moderately Low ● Moderately High ● High</p>
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The Overall Value for Money rating is determined on a rating scale based on the product of the overall scores for the individual features and the weightings shown in the above table. The Quality of Service and Investment Features combined (i.e. 1 to 7 in the table above) representing two-thirds of the overall score and the Cost and Charge Level (i.e. 8 in the table above) representing one-third of the overall score. It is visually represented by the heatmap below.

### VALUE FOR MONEY SCORING



## The overall conclusion is that the OneFamily Workplace Personal Pension Plan provides **good** value for money.

Overall, the GAA has challenged the Firm as follows:

- | Given the magnitude of the relative underperformance of the majority of the funds against their stated benchmark, the GAA would expect to see appropriate action being taken by the Executive Investment Committee, in particular with a greater level of interaction and discussion with EdenTree throughout the year. The GAA notes that a large part of the underperformance relative to the funds' stated benchmarks arise from the fact that the funds do not adopt an ESG adjusted benchmark and EdenTree's ESG filtering can therefore lead to variances in fund performance against the benchmark – nonetheless, the impact on policyholder fund values was substantial.
- | We also challenge OneFamily to consider undertaking a comparison against an ESG specific benchmark, in order to provide additional clarity on the contributing factors to the funds' underperformance.
- | We would expect to see greater evidence of the oversight and challenge provided to EdenTree. This is particularly the case for 2022 where the performance was poor, but additionally on an ongoing basis to provide a greater level of challenge and oversight for EdenTree's stewardship activities.

In addition to the above areas of challenge, the GAA observes that some areas, such as the development of the operational platform are still evolving and the GAA would expect to see ongoing progress in this area, leading to the ability for further steps forward in terms of online access for policyholders and the ability to add some diversity in the fund range available for policyholders.

We also concluded that the Firm's policies in relation to [Environmental, Social and Governance](#) (ESG) risks, non-financial considerations and stewardship were adequate but further work could be undertaken to create a more standalone OneFamily ESG investment policy, rather than relying fully on the investment manager's policy.

The FCA introduced new requirements last year requiring a comparison with other similar options available in the market. If an alternative scheme(s) would 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, and a consolidated view of our comparator findings is set out in Appendix B.

A consultation was launched in early 2023 between the FCA, the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR). This consultation set out a transformative framework of metrics and standards to assess value for money across Defined Contribution (DC) pension schemes including the workplace pensions reviewed by the GAA. The consultation seeks to improve retirement outcomes and encourage greater transparency and standardisation across the entire market offering DC pensions. This should result in a more consistent Value for Money review for policyholders irrespective of where their DC pension originated. This consultation does not affect this year's review but may mean a change in the way that Value for Money is assessed for policyholders in the future, if the consultation prescribes a standard way of measuring Value for Money which differs from the approach used by the GAA.

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 OneFamily Workplace Personal Pension Plan

September 2023



**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:**

The Customer Services Annuities and Pensions Team Manager  
OneFamily  
16-17 West Street, Brighton, BN1 2RL

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



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# Overview of the value assessment

**The GAA has assessed the Value for Money delivered by the OneFamily Workplace Pension Plan 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 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 all 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 of the Firm's product(s) 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](#), in particular services relating to communications with policyholders and processing of [core financial transactions](#). The Quality of Service and Investment Features considered have been expanded to include other aspects the GAA considers important based on the GAA's experience of conducting Value for Money assessments over the past several years, such as the Firm's governance structure, the financial security for policyholders, the Firm's approach to engagement and innovation, 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 numerical scoring system of 0 to 4, where 4 is 'excellent', 3 is 'good', 2 is 'satisfactory', 1 is 'poor' and 0 is 'non-compliant or insufficient information has been provided'. 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 set of score descriptors outline what the GAA would expect to see to achieve each numerical score. The scores for each sub-feature are then aggregated to the feature level based on the GAAs view of the relative value of the sub-feature to the policyholders.

The GAA will then consider the value represented by the Cost and Charge Levels which policyholders have to bear. The assessment of Cost and Charge Levels is primarily driven by the level of ongoing charges for investment management, administration, and any platform fees. The GAA also considers the transaction costs and how they are controlled, and any additional costs the policyholders pay in the investment and management of their policies. The Cost and Charge Levels are rated on a numerical scale of 1 to 4 where 4 is 'low' charges, 3 is 'moderately low' charges, 2 is 'moderately high' charges and 1 is 'high' charges. This assessment 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, the GAA has taken into account the likely needs and expectations of this group of policyholders, based on the information made available by the Firm.

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.

An assessment 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 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 the comparisons, including 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 27, 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

Policyholders of the OneFamily workplace personal pension plans have a choice of four equity funds, a mixed asset fund (the Responsible and Sustainable Managed Income fund ), plus a deposit fund. These are each managed by EdenTree Investment Management, who have always had environmental and social considerations at the heart of their investment strategies.

The funds are actively managed, rather than tracking an index, so that an ESG approach can be followed.

There is no default investment fund into which contributions are invested if a policyholder does not make an active investment choice. This means that policyholders had to choose which fund(s) to invest in at the time they first took out their policy.

There was no legal requirement to have a default fund at the time the policies were originally sold and, as no new workplace personal pension plans are being sold, there remains no requirement for a default fund.

There is no facility for lifestyling, which is the process whereby funds are automatically switched into less volatile or risky investments as a policyholder gets closer to retirement age. Again, this is not unusual in older pension products. The onus is therefore broadly on the policyholders to ensure that they remain invested in suitable funds as they approach retirement age. To assist

with this, there is an annual reminder, via benefit statements, to policyholders to check that their investment strategy remains suitable for their requirements.

The Executive Investment Committee meets at least quarterly and is responsible for reviewing the investment strategy, including consideration of **Environmental, Social and Governance** (ESG) factors, ensuring the approved strategy is implemented, setting and reviewing investment guidelines and objectives, and reviewing regularly performance relative to benchmarks.

## The Firm's strengths

All fund factsheets are provided and easily accessible on the OneFamily website. All funds have a statement of objectives on the factsheet which is set against a specified timeframe of over five years or more.

There is no clear quantitative investment target incorporated within the objectives for the four equity funds, merely stating that the objective is to achieve long term capital growth and an income (whereas the managed income fund does have a specific measurable target). The objectives for the four equity funds could be made more externally measurable by reference to an index or other quantifiable target return relative to a published interest rate or inflation measure (noting that while there is a clearly defined index used as a benchmark for the funds in question, it is not built into the objective).

All factsheets have been reviewed recently and evidence of regular reviews undertaken has been provided.

The Executive Investment Committee met four times in 2022, and extracts of minutes have been provided evidencing key areas of focus and discussion.

The GAA has discussed with OneFamily whether it may be appropriate for a more mixed investment option to be added into the fund range to provide a credible lower risk option for policyholders (say should they wish to de-risk as they approach retirement age, and noting that the managed income fund maintains a bias towards equities of between 60% and 85% of the fund holdings).

OneFamily has considered this, and has provided evidence to the GAA that the concern around the diversity of fund range has been discussed within OneFamily at the Conduct Risk and Culture Committee. At present OneFamily is limited in their ability to add additional funds but there is intention for the fund range to be reviewed in future. In addition, OneFamily has confirmed that there is an apparent lack of policyholder demand for a lower risk option (no queries have been raised in this regard).

As reported last year, OneFamily undertook a policyholder survey in late 2021 which included questions around awareness of policyholders to the level of investment risk within their fund and awareness of retirement options in the absence of automated lifestyleing. Following on from the survey feedback (and as part of a more general desire to increase customer engagement and education), OneFamily continue to give consideration as to how best to educate policyholders to build their understanding on the funds they hold, and whether they remain fit for purpose.

OneFamily do not have a published ESG policy or strategy in relation to investing principles, but adoption of ESG thinking can clearly be seen in the Executive Investment Committee's Terms of Reference, on the OneFamily website and in the annual report and accounts.

Edentree (as sole investment managers for these funds) fully integrate ESG risk factors across their investment process with active screens and exclusions.

Edentree has been awarded 'Best Ethical Investment Provider' at the Moneyfacts Life & Pensions Awards for 14 consecutive years (2009-2021). Three of the equity funds on offer for the workplace personal pension plan policyholders have explicit fund descriptions setting out that they seek to invest in companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

## Areas for improvement

### GAA observation

As highlighted in previous reports, the fund range is narrow, with little alternative to equity investments. The GAA notes that the constraints of what is a small, closed book of business and the need to be proportionate in approach, and are encouraged by OneFamily's desire to educate policyholders that the current range of funds may not be suitable in all instances.

Along related lines, the lack of any automated lifestyling is noted by the GAA, and while it is not ideal, the GAA recognises that this is not unusual for this generation of policies. Again, the GAA is encouraged by OneFamily's desire to educate policyholders, including the case studies that were introduced last year.

Recognising the constraints of the current operational platform, the GAA would like to see OneFamily undertaking an in-depth review of the fund range.



## 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

The performance of the fund range is reviewed every quarter by OneFamily's Executive Investment Committee. The remit as set out in the Terms of Reference for the committee includes reviewing historical performance figures relative to benchmarks, appointing and terminating investment managers and reporting any material departure or failing of an investment manager, including concerns regarding investment risk to the Board.

While there is a clearly defined index used as a benchmark for the funds in question, it is not built into the investment objectives of the funds. The fund factsheets report performance against a comparator group, as opposed to against the benchmark. With the **active management** nature of the Edentree funds, there will be periods of divergence from both the comparator group and the benchmark, neither of which are adjusted for ESG specific considerations.

### The Firm's strengths

The GAA has been provided with evidence that the Executive Investment Committee meetings were held quarterly, and extracts from the minutes of these meetings were provided.

As can be seen from the table on the following page, the performance of the majority of the funds were significantly behind benchmark over 2022. In a large part this reflects the fact that these funds do not adopt an ESG adjusted benchmark and EdenTree's ESG filtering can therefore lead to variances in fund performance against the benchmark.

As an example, traditional energy stocks and fossil fuels are entirely excluded from the funds on ESG grounds. This sector performed relatively well over 2022 (compared to other areas), and therefore to exclude stocks from this sector entirely (as is the case for the EdenTree funds) leads to a drag on performance when compared to the benchmark.

Similarly, EdenTree has a zero allocation to defence and aerospace; again these sectors performed relatively well compared to the benchmark. Some of the headwinds in these areas can be attributed to the war in Ukraine.

Over a longer time horizon than the one year period considered here, the belief from EdenTree and OneFamily is that stocks with stronger ESG credentials should outperform those with weaker ESG credentials. In this report, we are predominantly required to report on the performance over only the 12 months of 2022, and we acknowledge that it has been our experience more widely that funds which have incorporated an ESG focus, did struggle relative to those with no such focus, over 2022.

However, we also note that the poor performance over 2022 of the EdenTree funds in question here, was such that it has led to the underperformance being reported against the relevant IA sector comparator, even over longer time horizons.

A formal review by the Executive Investment Committee of the continuing appropriateness of the funds and the benchmarks in place is currently underway, although the outcome of this will not be known until later in 2023.

## Net investment performance

The [net investment performance](#) over 2022 of the funds available to policy holders (excluding the deposit fund) and the performance of the benchmarks against which those funds are measured by EdenTree are set out in the following table.

Fund Name	Net Investment Performance	Benchmark
UK Equity opportunities Fund	<b>-24.82%</b>	<b>0.34%</b>
UK Equity Fund	<b>-20.52%</b>	<b>0.34%</b>
European Equity Fund	<b>-0.37%</b>	<b>-6.98%</b>
Global Equity Fund	<b>-18.32%</b>	<b>-7.15%</b>
Managed Income Fund	<b>-7.21%</b>	<b>0.34%</b>

Note that the net performance shown in the table above is prior to allowance for the loyalty bonus which is applied annually, and therefore returns for most policyholders will be c.0.75% higher than the figures shown. Clearly, even reflecting this additional return, the performance of the funds is significantly behind benchmark for all funds except for the European equity fund.

## 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 2022, weighted by the size of funds invested, was significantly below average relative to the comparator group.

## Areas for improvement

### GAA observations

Given the significant relative underperformance of the majority of the funds against their stated benchmark, the GAA would expect to see in-depth and ongoing correspondence between EdenTree and OneFamily having being undertaken throughout 2022. While we are aware that informal conversations were taking place over the year, we have only been provided with limited evidence of this, nor of any more formal challenge of EdenTree from OneFamily.

We would also expect that comparison against an ESG specific benchmark should be considered, in order to provide additional clarity on the extent to which the reasonings provided for the underperformance can be tested and confirmed. This is not something we are aware that is currently carried out.

The GAA is reassured that a formal review of the performance of the funds and the appropriateness of the benchmark is currently underway on behalf of the Executive Investment Committee.

The GAA notes that OneFamily received two complaints in relation to investment performance over 2022, one of which was also brought to the GAA's attention directly. As discussed in section 6, we were satisfied with the way that the complaints themselves were handled, although we wonder if more could have been done during 2022 to highlight to policyholders the under performance compared to benchmark.



## 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

OneFamily communicate with policyholders predominantly by written communications. There is a dedicated telephone helpline operating during weekday working hours (free of charge) and an email address available to support policyholders with any administration queries. However, there is no online access for policyholders to view their own funds.

Regular communications with policyholders are through the annual benefit statement and policyholders are provided with five-yearly wake-up and options packs from age 50. The wake-up packs confirm the availability of free and impartial pensions guidance with signposting to Pensions Wise and the Money Helper guidance service and the Money Helper retirement adviser directory. Members can phone or write to switch funds, but instructions must be followed up with a completed switch form.

Policyholders need to transfer to another arrangement to take their benefits other than as a lump sum benefit, but OneFamily point policyholders towards the open market option to take advantage of other options.

The OneFamily website highlights an awareness of the options policyholders have in accessing and utilising their funds, and what they should be considering as part of this. This includes a series of case studies created to provide examples of potential scenarios which may resonate with the members, and there is also a FAQ section that includes an explanation of lifestyling.

## **The Firm's strengths**

The case studies are a considerable benefit to supplement the standard written materials provided by OneFamily. They also enable some of the GAA concerns around limited fund range and lack of lifestyling to be brought to life and explained to policyholders.

## **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 2022 were average relative to the comparator group.

## **Areas for improvement**

### **GAA observations**

As highlighted in previous years, the GAA would like to see development of online options, particularly in relation to fund switches and policyholders being able to log on and view their fund value.

OneFamily's website that provides more information for policyholders, including the required disclosure of costs and charges and illustration can be found at the following link:

[www.onefamily.com/help/legacy-products/pensions](http://www.onefamily.com/help/legacy-products/pensions)





## 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

OneFamily has an internal audit process, which assesses different aspects of the business in turn, including the in-house administration systems and processes. The Assurance Framework is underpinned by a range of policies, procedures and controls, which have been approved by the Board with regular feedback given.

The performance of the OneFamily fund range is regularly reviewed by the Executive Investment Committee.

The Conduct Risk and Culture Committee oversees risks relating to the Group's strategy, products, operations, and culture, and considers

customer outcomes. It also assists the Group in complying with financial crime legislation, regulation and industry guidance.

### The Firm's strengths

OneFamily has described to the GAA a robust governance framework in place to monitor the internal service providers. They have provided the Terms of Reference for the Executive Investment Committee, the Conduct Risk & Culture Committee, the Customer Operations Risk Committee, the Member Customer Committee and the Executive Operational Resilience Group.

A Risk Register is maintained by the OneFamily Risk & Controls team with key risks reported to the Executive Board bi-monthly. Group Risk is reviewed via a weekly issues tracking meeting, a monthly Customer Service risk meeting and bimonthly Customer Director oversight meetings.

We have been provided with extracts of minutes from the Executive Investment Committee, however we have received limited evidence of engagement and oversight with EdenTree, the external investment manager.

### Improvements since last year

Operational Resilience has been reviewed and updated, with the Executive Directors comfortable with OneFamily's approach and modifications made over the course of 2022.

## **Areas for improvement**

### **GAA observations**

We would expect to see greater evidence of the oversight and challenge provided to EdenTree. This is particularly the case for 2022 where the performance was poor.



## 5. Financial security

**Value score:**  Excellent  Good  Satisfactory  Poor

### What are we looking for?

We look for information about the financial position of the Firm supported by evidence such as accounts as well as ratings from third party rating agencies, where available.

We also look for information about how the assets are protected, for example in the event of fraud or bankruptcy, at both Firm and manager level. This could relate to FCA or PRA protection, ringfencing or the structure of the underlying product.

We are looking for evidence of a clear process to warn policyholders about fraud and scams and for Firms to be actively monitoring for possible scamming activity.

### The Firm's approach

OneFamily prepare a Solvency and Financial Condition Report (SFCR) every year in accordance with the Solvency II directive. The financial strength of OneFamily is underpinned by management of over £7 billion in assets. OneFamily updated their operational resilience policy in January 2021, which sets out the Firm's approach, governance arrangements and standards to be adhered to in relation to maintaining important business services in the face of disruptive or extreme events.

Protection of clients' assets, and management of financial crime risks falls under the responsibility of the Conduct Risk and Customer Committee, which meets monthly.

### The Firm's strengths

The financial strength of OneFamily is underpinned by management of over £7 billion in assets, and the 2022 solvency report shows a strong and improving financial position with a Solvency Capital Requirement Ratio of 340% at the end of 2022 (compared to 227% at the end of 2021).

As a ringfenced insurer, policyholders would be protected in the unlikely event of bankruptcy. As the accounts with asset managers are held in pooled funds OneFamily is relatively protected from fraud at the asset managers. OneFamily has appropriate fraud controls in place.

Standard risk warnings are included in policyholder communications along with due diligence being carried out prior to transfers, to protect policyholders against the risk of pension scams. Arguably, the lack of online capabilities could make it less likely that policyholders would be targeted by scammers, although clearly some risk remains.

Due diligence checks are carried out in relation to transfers out in accordance with TPR Guidance following the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (SI 2021/1237) and Principles of the Pension Scams Industry Group (PSIG) Code of Good Practice. A Suspicious Activity Process is created and issued to the Compliance Team with Red/Amber/Green

processes in place during the transfer process. OneFamily confirmed that there were no fraud incidences to report for 2022.

OneFamily's Assurance Framework identifies Vulnerable Customers as a key area that requires focus and continuous review. In particular, a Vulnerable Customer policy is reviewed annually, and was updated in August 2022. Staff training around this topic has also been carried out and new phone analytics enable checks to be carried out to ensure customers can be identified as vulnerable where appropriate.

## **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.

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 administration is carried out in-house and with service standards of between one and five working days for a range of tasks, including a one day target for new premiums to be credited to an account. If the agreed service standards are met, core financial transactions will be processed promptly and accurately.

OneFamily consider all expressions of dissatisfaction about the service provided, where the customer has suffered (or may suffer) financial loss, material distress or material inconvenience to be a complaint. Complaints are recorded onto a central database managed by the Complaints Team, who are responsible for responding to all complaints which can't be resolved at first point of contact, as well as looking at complaint trend analysis, and both internal and external reporting.

All employees with the relevant management responsibilities have to complete Operational Resilience training annually. Risk management, including security of IT systems, is the responsibility of the Conduct Risk and Customer Committee, which meets on a monthly basis to discuss matters such as current, emerging, and potential risks to members and customers, explicitly including those relating to the protection of client assets, as well as management of financial crime risks. Annual testing of the business continuity and disaster recovery plans is carried out.

## The Firm's strengths

Evidence has been provided of the achievement of service standards of 100% over 2022. This includes the crediting of new premiums to accounts within the one working day timescale.

The Conduct Risk & Culture Committee oversees dashboard reporting of administration performance, including SLAs, call satisfaction, email responsiveness, trust pilot reviews, etc. This information is reported to the Board and the statistics shared for 2022 evidenced both a strong set of results as well as the high degree of regard that the results are considered within OneFamily.

OneFamily's Complaints Policy is reviewed annually by the Member and Customer Subcommittee and was updated in December 2022. There is also a complaints procedure that is easily accessible via the website.

There were two performance related complaints received in 2022 in relation to the workplace book of business. Both queries related to the investment performance of the underlying funds. OneFamily's Complaint Handling Procedures set out timescales for replying to a complaint as well as actions that can be taken if an individual is not satisfied with OneFamily's final response (e.g. referring complaint to the Financial Ombudsman Service). Responses to both of the complaints received were provided within the timescales and process as set out in OneFamily's Complaints Handling Procedures.

A comprehensive risk management framework has been described as being in place overseeing IT security, cyber security and data protection.

The Business Continuity Plan has been made available to the GAA, and was last reviewed in May 2022. Testing of the Business Continuity Plan was carried out in November 2022 and is set to be reviewed on a quarterly basis.

The Executive Operational Resilience Group review all matter related to IT security. IT and Data Protection policies were updated in September 2022 with an annual Data Protection report provided.

## 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 2022 were above average relative to the comparator group.

## Areas for improvement

### GAA observations

Despite excellent adherence to SLAs, there is potential risk introduced through manual processing and monitoring of workflow. That said, this is counter-balanced by multiple layers of control and high visibility of reporting statistics.



## 7. Engagement and innovation

**Value score:**

Excellent

Good

Satisfactory

Poor

### What are we looking for?

We expect to see evidence that the product is reviewed at least annually, with new products or services being launched on a regular basis, that 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

OneFamily 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 entire membership focussing on the benefits of being mutual. This means that the policyholders can benefit from the OneFamily Foundation and, for example, have been able to apply for grants.

The workplace personal pension plan policies are a historical and small book of business for OneFamily and as such there are very limited online capabilities for policyholders of the workplace personal pension plans. While the roll out of the new operating platform has begun, it is being phased in across different business lines, and it is not expected to be available for these policyholders until late 2023 or 2024.

In November 2021, OneFamily undertook a targeted questionnaire, specifically directed at the historic pension book of business. This received limited responses. Given the size and historical nature of the policies, the Firm has reasonably viewed it as too soon to run a repeat survey, but will keep in mind the potential for a similar survey, possibly in conjunction with a formal review of the funds as highlighted in Section 2 of this report.

### The Firm's strengths

There has not been a recent history of significant innovation or advancements for this group of policies, reflecting it being a small and largely legacy book of business. This is understandable and not unusual where considering a historical and small book of business, but it does mean that policyholders are not benefiting from the kinds of online offerings and web-based assistance that can be seen elsewhere.

Despite the constraints noted above, the targeted survey in 2021, along with the enhanced retirement support materials on the website, demonstrate an ongoing desire from OneFamily to ensure that policyholders are assisted as far as possible, while still taking a proportionate approach.

### **Improvements since last year**

A speech analytics tool was developed in 2022 which enables phone calls to be analysed more quickly and efficiently, identifies emerging trends which can be addressed quickly through targeted communications, helps to ensure technical points are understood and can ensure vulnerable customers are identified effectively.

A chatbot function was also launched on the website in 2022, however it has limited functionality at present.

## **Areas for improvement**

### **GAA observations**

The GAA understands that OneFamily has begun the phasing of their re-platforming project, although this will not be rolled out to the Workplace Personal Pension Plan until a later date. This may potentially lead to improved policyholder engagement and permit consideration of wider fund options to be added to their platform. The GAA will continue to monitor developments in this area.





## 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 fund annual management charges, administration charges and [transaction costs](#) being borne by policyholders.
- | Any other charges being paid by policyholders to manage and administer their workplace pensions.
- | The process for collecting and monitoring overall member charges, including transaction costs.
- | How the firm monitors charges
- | Whether the overall level of charges is reasonable, bearing in mind the nature of the investment, level of performance, and degree of risk management.
- | 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 notable outliers such as high charges for small pots.

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

### The Firm's approach

There are Annual Management Charges on the funds of between 1.0% and 1.25% per annum (except the deposit fund which has an [Annual Management Charge](#) of 0.25% per annum), but in all cases, this reduces to 0.5% after application of the loyalty discount which applies to all policyholders (the only instance when this would not be credited is in the year that a policyholder withdraws their funds – e.g. if a members retires or transfers out during the year).

In relation to new premiums paid, there is a contribution charge, although in many cases this is largely offset by higher allocation rates.

There are no exit charges when transferring funds elsewhere; nor switching charges when changing from one investment fund to another.

The GAA was provided with sufficient details of policyholder charges including transaction costs calculated on the DC workplace methodology. OneFamily were able to meet the new disclosure requirements introduced with effect from September 2022. The monitoring of transaction costs falls under the remit of the Executive Investment Committee who challenge EdenTree if any costs appear out of line with expectations.

## The Firm's strengths

The GAA's assessment of the costs and charges was Low, when considering an 'in-practice' Annual Management Charge (AMC) of 0.5% for the main funds (i.e., assuming that the loyalty bonus applies in all cases), and noting that the funds are actively managed.

## 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 2022 were below average 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 or 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 or opportunities presented.

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

OneFamily has developed its 'Inspiring Better Futures' vision which underpins their commitment to doing the right thing at every level, sustainably and responsibly. This includes articulating their commitments to how investments will be selected in line with ESG principles.

The funds are managed by EdenTree Investment Management, who have always had environmental and social considerations at the heart of their investment strategies.

The funds are actively managed, rather than tracking an index, so that an ESG approach can be followed. For example, three of the equity funds on offer for the workplace personal pension plan policyholders have explicit fund descriptions setting out that they seek to invest in companies which make a positive contribution to society and the environment through sustainable and socially responsible practices. There are also a stringent set of exclusions from each of the funds, where these are not considered to consistent with ESG principles.

## The Firm's strengths

The GAA considers OneFamily are actively engaged in ESG and it is clear that the EdenTree has ESG at the heart of their investing philosophies. This is an area which has been challenged by the relative investment performance over 2022 of ESG tilted funds compared to a whole of market approach.

At present, OneFamily's policy on stewardship and non-financial matters is to delegate all activity to the underlying manager, EdenTree. OneFamily were not able to evidence of ongoing oversight of the stewardship activities of EdenTree over 2022.

## Areas for improvement

### GAA observations

OneFamily's policy in relation to ESG financial considerations, non financial matters, and stewardship are informally articulated in the 'Inspiring Better Futures' vision. This is implemented through delegation to EdenTree. The GAA is of the view that while it may be reasonable to rely heavily upon the investment managers (for example for the screening and selection of investable stocks, as well as for engagement with companies on their ESG credentials), it would nonetheless be of benefit to have a more explicitly stated OneFamily policy which is distinct to that of the investment manager.

### GAA challenge

We would like to see more evidence of the oversight of EdenTree, this would include ensuring that EdenTree are undertaking and meeting their stewardship responsibilities.



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# Appendix A: Cost and charge 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. 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

[www.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report](http://www.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report)



## Appendix B: Comparison report

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 in the case of a SIPP whether the provider has responsibility for setting and monitoring the investment strategy
- | Similar membership cohort, for example staff schemes for staff of the provider

Based on these criteria we believe that the comparator products chosen will provide a reasonable comparison for the policyholders of the OneFamily Workplace Personal Pension Plan.

### Comparison of net investment performance

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 for the Firm's policyholders over 2022 was significantly below average relative to the comparator group.

### Comparison of communication provided to policyholders

We have assessed how the communication materials provided to the Firm's policyholders compares 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 2022 were average relative to the comparator group.

## 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 Firm's policyholders compares to other sufficiently similar employer pension arrangements.

This assessment identified that the administration services provided to the Firm's policyholders over 2022 were above average relative to the comparator group.

## Comparison of costs and charges

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

| [Annual management charge](#)

| [Transaction costs](#)

| Other costs & 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 nature of the provider.

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2022 were below average relative to the comparator group.



## 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 2023.

Members of the GAA had a meeting with representatives of OneFamily to kick off the Value for Money assessment process for the 2022 calendar year and to discuss and agree timescales.

Members of the GAA had a face to face meeting with representatives of OneFamily 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.

The GAA then provided the GAA's provisional scoring of Value for Money of the in-scope OneFamily workplace pensions and the approach for meeting the cost and charges disclosure requirements in [COBS 19.5.13](#). This did not necessitate an additional call to discuss the output.

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

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

Over the last year the GAA reviewed our Value for Money assessment framework and scoring methodology to ensure this continued to be applied consistently. Whilst the Value for Money assessment framework itself remains largely unchanged from the previous year, significant work has taken place reviewing and developing the data request and the approach for Firms to provide information in response to the data request, to make the process more efficient.

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

Item	Date
Issue data request	10/2/2023
Kick off meeting	28/2/2023
Site visit	20/4/2023
GAA panel review meeting	9/5/2023



## Concerns raised, and challenges made with the Provider by the GAA and their response

The GAA has not raised any concerns with OneFamily during the year covered by this report.

## 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 OneFamily website.

- | OneFamily 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 OneFamily determine that a communication from a policyholder is a representation to the GAA, it will be passed on in full and without editing or comment for the GAA to consider.

In addition, the GAA has established a dedicated inbox at [zgl.gaacontact@zedra.com](mailto:zgl.gaacontact@zedra.com) so that policyholders can make representation to the GAA direct. OneFamily includes details of this contact email address on the OneFamily website.



## 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 would be 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 in respect of pathway investors from 1 February 2021.

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

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

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

the members of the GAA have sufficient expertise, experience, and independence to act in the interests of relevant policyholders or pathway investors.

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

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

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

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

Information on Dean's experience and qualifications can be found at [www.deanwettonadvisory.com](http://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 agreed with the Firm can be found at: [www.onefamily.com/downloads/documents/gaa-terms-of-reference.pdf](http://www.onefamily.com/downloads/documents/gaa-terms-of-reference.pdf)



## Appendix E: Glossary

### 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.

## 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.



# Appendix F: Summary of Workplace Pension Plan data as at 31 December 2022

Group Personal Pension Plans and Individual Personal Pension Plans <sup>1</sup>	
<b>Number of employers:</b>	
Non-qualifying for auto-enrolment <sup>2</sup>	7
<b>Total number of policyholders:</b>	1,152
Contributing	78
Non-contributing	1,074
<b>Total value of assets (market value)</b>	<b>£30.9m</b>

**Notes:**

1. It is suspected that the vast majority (if not all) of the individual personal pension plans do not fall under the scope of this GAA report, however it is possible that there are some accidental workplace policies by virtue of two or more individual personal pension plan policyholders being employed by the same employer. For this reason, and as there are no material differences between the Group Personal Pension Plans and the Individual Personal Pension Plans, the GAA (in agreement with OneFamily) has kept all the Individual Personal Pension Plans in the scope of this report. This position might be reconsidered in future years if a review is carried out.
2. The workplace personal pension plans are not used for auto-enrolment purposes.



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