ZEDRA

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Chair's annual report

OneFamily Workplace Personal Pension Plan

Year ended 31 December 2023

The ZEDRA Governance Advisory Arrangement (GAA)

September 2024

Executive summary

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

Further background on the activity of the GAA and details of the credentials of the GAA can be found in Appendices C and D, respectively. The GAA works under an agreed Terms of Reference, the latest version of which is dated 4 April 2022 and is publicly available (see Appendix D).

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the 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 2023 to 31 December 2023. The GAA has developed a Framework to assess Value for Money which balances the quality of services and investment performance provided to policyholders against what they pay for those services and investment performance. Further details are set out on page 7.

A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

	Weighting toward VfM assessment*	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%	
Overall value for money assessment	100%	

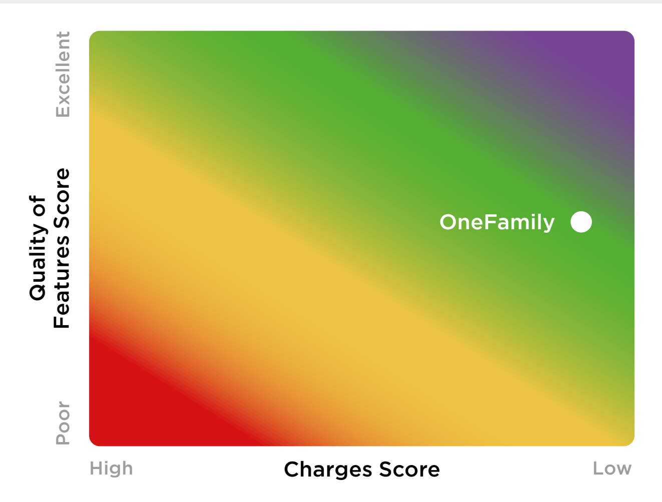
** May not add to 100% due to rounding*

Quality of service and investment features (1–7)
Excellent Good Satisfactory Poor

Cost and charge levels (8)
Low Moderately Low Moderately High High

The overall Value for Money 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:

- We would expect to see greater evidence of the oversight and challenge provided to the investment manager, EdenTree, particularly given the investment underperformance against benchmark for 2023, as well as over the 5 year period to 31 December 2023. The GAA acknowledges there is ongoing review of the funds' performance carried out internally within OneFamily, however we expect to see a continuing dialogue with EdenTree, and challenge (where appropriate). This should cover a range of matters such as the underperformance against benchmark, as well as oversight of EdenTree's stewardship activities.
- OneFamily does not have a standalone ESG policy but has an informally articulated position in its "Inspiring Better Futures" vision. The ESG and stewardship aspects for the investment of the funds are entirely delegated to EdenTree. While EdenTree themselves are thought to be extremely strong in these areas, we cannot see evidence that OneFamily carry out sufficient review of EdenTree. While there is no requirement for OneFamily to have a standalone ESG policy, we would expect to see alternative protocols in place to demonstrate oversight of the responsibilities delegated to EdenTree. For this reason, we conclude that the Firm's policies in relation to **Environmental, Social and Governance** (ESG) risks, non-financial considerations and stewardship, are not adequate. We do however acknowledge that EdenTree make available quarterly ESG reports on their website, which might be considered and noted in an ad hoc fashion by OneFamily. OneFamily are giving thought to how they can formalise an appropriate level of oversight in this respect going forward.

In addition to the above areas of challenge, the GAA has observations in the following areas:

- The current fund range is narrow, with little alternative to equity investments. The GAA notes the constraints of what is a small, closed book of business and the need to be proportionate in approach.
- There is no clear quantitative investment target incorporated within the objectives for the four equity funds (although we acknowledge there is a clearly defined index used as a benchmark for measuring performance).
- A comparison against an ESG specific benchmark could be considered, particularly where there are periods of underperformance, in order to add clarity on the reasons behind the underperformance.
- There is a lack of online functionality, for example policyholders cannot view their fund value online.

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

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

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

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

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

Louisa Harrold

Chair of the ZEDRA Governance Advisory Arrangement for OneFamily Workplace Personal Pension Plan

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:

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

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Overview of the value assessment

The GAA has assessed the Value for Money delivered by OneFamily 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 the information and evidence requested, the GAA has met to discuss and agree provisional Value for Money scoring using the Framework developed by the GAA and to undertake comparisons of the Firm's product against a suitable comparator group of providers for certain Quality of Service and Investment Features and Cost and Charges.
- The provisional Value for Money score, including a full breakdown, has then been shared and discussed with the Firm.

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

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

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

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

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

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

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

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

1. Product strategy design and investment objectives

Value score: ○ Excellent ○ Good ● Satisfactory ○ Poor

What are we looking for?

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

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

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

Whilst policies on ESG financial considerations and non-financial matters are considered separately on page 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.

All factsheets have been reviewed recently and evidence of regular reviews undertaken has been provided. The Executive Investment Committee met four times in 2023, and extracts of minutes have been provided evidencing key areas of focus and discussion.

In previous years, 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 even the managed income fund maintains a bias towards equities of between 60% and 85% of the fund holdings).

We know from previous years that OneFamily has considered and discussed the GAA's observations on lack of alternative fund options at a senior committee level. During 2023 and into 2024, OneFamily has undertaken a substantial review of the ongoing management of these funds. OneFamily has commented that the fund range will be considered once this element of review is complete.

OneFamily do also note that, as per comments made in previous years, that there is an apparent lack of policyholder demand for a lower risk option (no queries have been raised in this regard). There was a policyholder survey carried out 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 lifestyling. The survey had very limited uptake, indicative of the low member engagement from this group of policyholders, and suggestive of a likely very low uptake should any additional optional funds be added to the range.

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.

Improvements since last year

It is clear that OneFamily understand the GAA comments in relation to the fund range, and the GAA has been provided with evidence of the work ongoing in reviewing the funds. The GAA acknowledge that additional fund options should be considered as part of these discussions, and taking into account operational platform constraints.

Areas for improvement

GAA observations

Notwithstanding the steps undertaken during 2023 and 2024 as already outlined, the GAA observation remains as in previous years that the current fund range is narrow, with little alternative to equity investments. The GAA notes the constraints of what is a small, closed book of business and the need to be proportionate in approach. We are also 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 remain prominent on the relevant webpage for these policies.

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

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 (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 Funds' objectives).

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 formal benchmark.

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 was mixed, with many funds behind their benchmark over 2023. The fund returns achieved, although behind benchmark – which is discussed further below – were a significant improvement on those achieved during 2022.

Due to the active nature of the management of the funds through EdenTree's ESG filtering approach, and that the fund returns are being compared to benchmarks which do not have any such ESG filtering built in, there can be expected to be variances in fund performance against benchmark.

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 2023. However, the funds in question have underperformed over longer time horizons of 3 and 5 years, both compared to their formal benchmarks and also compared against to the relevant IA sector comparator.

Improvements since last year

As commented in the previous section, a formal review by the Executive Investment Committee of the funds is underway, having begun during the second half of 2022. We are not able to report on the output of this at the time of publishing this report, although we have been provided with evidence that this is well advanced.

Net investment performance

The net investment performance of the pension product over 12 months to 31 December 2023 and the performance of the benchmarks against which those funds are measured by the Asset Manager are set out in the following table.

The net investment performance return set out below are the published returns provided by EdenTree, after allowing for the annual management charges. However most policyholders will have received a slightly higher return than that outlined below due to the annual loyalty bonus which is credited to accounts for all policyholders who maintained their funds for the entire year (i.e. they did not withdraw or transfer their funds during the year). This applies to the vast majority of policyholders, and would add approximately an additional 0.75% return (0.5% for the managed income fund) to the return stated below. Even allowing for this additional return, most funds remained very slightly behind the stated benchmark for the year.

Fund Name	Net Investment Performance	Benchmark
UK Equity Fund	5.90%	7.9%
Managed Income Fund	7.38%	7.9%
UK Equities Opportunities Fund	9.58%	7.9%
Global Equity Fund	15.83%	17.2%
European Equity Fund	14.44%	15.7%

Comparator results

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

This assessment identified that the one year net investment performance relative to benchmark for the Firm's policyholders over 2023, weighted by the size of funds invested, was below average, i.e. relative to benchmark.

Areas for improvement

GAA challenge

As per our observations and challenges raised in our previous report, given the ongoing underperformance of the majority of the funds against their stated benchmark, the GAA would expect to see ongoing correspondence between EdenTree and OneFamily having been undertaken throughout 2022 and 2023. While we are aware that informal conversations were taking place, we have only been provided with limited evidence of dialogue, and are not aware of any more formal challenge of EdenTree from OneFamily as to the underperforming funds.

The GAA recognise the internal review of the funds being undertaken within OneFamily. However, our challenge remains that, in in relation to the ongoing operational relationship with EdenTree, we would expect to see more ongoing dialogue, challenge, and scrutiny of the investment manager as matter of course.

GAA observation

We commented last year that comparison against an ESG specific benchmark should be considered, particularly where there are periods of underperformance, 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 that is currently carried out (although we acknowledge that divergence against benchmark this year is not as significant as it was for 2022, and hence potentially a lower priority piece of analysis than it might have been in relation to 2022 returns).

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 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 wakeup 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

Although there is no online self-service website, policyholders benefit from being able to speak directly to highly experienced members of the OneFamily team, who are able to address a wide range of queries immediately. OneFamily additionally note they have not had queries from policyholders as to the absence of website functionality.

OneFamily are in the process of developing online capabilities, but this will not be rolled out for this group of policyholders until 2025 at the earliest.

The case studies are a considerable benefit to supplement the standard written materials provided by OneFamily. They also enable some of the GAA's challenge 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 2023 were average i.e. 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.

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, along with dates of meetings held during 2023.

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.

The supplier onboarding process, the Third party and Outsourcing Risk policy, and evidence on supplier management monitoring has been provided.

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.

Areas for improvement

GAA challenge

We would expect to see greater evidence of the oversight and challenge provided to EdenTree. While we are aware that a review is underway, we would nonetheless expect to see a level of dialogue and challenge with EdenTree about ongoing performance and operations.

5. Financial security

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

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 £5.5 billion in assets.

OneFamily has a Financial Crime Prevention policy in place which lists the systems and controls in place to monitor internal and external financial crime. This covers areas such as segregation of duties, due diligence of new and existing staff, regular training, transaction monitoring, first line quality assurance, second line monitoring, and third line reviews. Protection of clients' assets, and management of financial crime risks falls under the responsibility of the Conduct Risk and Customer Committee, which meets monthly.

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.

The Firm's strengths

We have no concerns about the financial strength of OneFamily, which is underpinned by management of over £5.5 billion in assets, and the 2023 solvency report shows a very strong financial position with a Solvency Capital Requirement Ratio of 285% at the end of 2023 (compared to 227% at the end of 2021 and 307% at the end of 2022).

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 manager. OneFamily has appropriate fraud controls in place. This includes internal six-monthly phishing testing being carried out, something which is due to increase in frequency in the future.

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.

OneFamily confirmed that there were no fraud incidences to report for 2023.

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 2023. Staff training around this topic is carried out annually and 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 or in maintaining continuity of business during the COVID-19 pandemic.

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

The Firm's approach

The 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 2023. 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 demonstrates the high degree of regard that the results are considered within OneFamily. The operations team is a highly experienced and stable team providing an end to end service.

OneFamily's Complaint Handling Policy is reviewed annually by the Member and Customer Subcommittee and was updated in July 2023. There is also a complaints procedure that is easily accessible via the website.

There were three complaints received in 2023 in relation to the workplace book of business. As above, any expression of dissatisfaction is recorded as a complaint, and considered under the Complaint Handling Procedure. None of the three complaints were upheld, and responses were provided within the required timescales and process.

OneFamily has confirmed that there were no GDPR breaches in 2023.

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 March 2023. Testing of the Business Continuity Plan was carried out in December 2023 and is 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 May 2023 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 2023 were above average i.e. 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 on a regular cycle of not more than every three years, with new product features or service innovations being launched when appropriate and in line with relevant improvements being made to other similar products being offered by the Firm. We expect these changes to have been developed taking into account policyholders' characteristics, needs and objectives, including direct feedback from policyholders.

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

The Firm's approach

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 2025 at the earliest.

In November 2021, OneFamily undertook a targeted questionnaire, specifically directed at the historic pension book of business. This received very 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, there is clearly ongoing desire from OneFamily to ensure that policyholders are assisted as far as possible, while still taking a proportionate approach. This is demonstrated with ongoing, iterative improvements evidenced by examples such as OneFamily working with an external provider to monitor call feedback, trust pilot reviews being considered and monitored, and speech analytics capability (as mentioned in last year's report) continuing to be used to improve the service to policyholders. OneFamily also believe that policyholders continue to benefit from a very stable team, which was recognised in the Sunday Times "Best Places to Work" for a second year running.

Areas for improvement

GAA observations

The GAA understands that the re-platforming project will be rolled out to the Workplace Personal Pension Plan in the coming years. 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 annual fund management and administration charges being borne by policyholders
- the transactions costs incurred by the underlying investment funds which reduce the investment return experienced by policyholders
- any other charges being paid by policyholders to manage and administer their workplace pensions
- the Firm's process for collecting and monitoring overall member charges, including transaction costs.

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

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

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

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

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

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

The Firm's approach

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 have been able to meet the disclosure requirements relating to costs and charges. 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 2023 were below average i.e. relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.

ESG financial considerations, non-financial matters and stewardship

What are we looking for?

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

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

(a) sufficiently characterises the relevant risks or opportunities;

(b) seeks to appropriately mitigate those risks and take advantage of those opportunities;

(c) is appropriate in the context of the expected duration of the investment; and

(d) is appropriate in the context of the main characteristics of the actual or expected relevant policyholders.

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

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

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

The Firm's approach

OneFamily has a '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.

OneFamily's policy on stewardship and non-financial matters is to delegate all activity to the underlying manager, EdenTree Investment Management, who are specialist managers in sustainable investing.

The Firm's strengths

It is clear that the EdenTree has ESG at the heart of their investing philosophies, and all of the funds incorporate ESG considerations as a fundamental feature in the investment strategies followed.

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.

Areas for improvement

GAA challenge

The GAA is of the view that while it may be reasonable to rely heavily upon an investment manager (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. This could be acceptably demonstrated across a series of documents, as opposed to a single standalone policy document, however we would expect that monitoring of the stewardship activities of the investment manager to be a core undertaking and for this to be set out as such.

The terms of reference for the Executive Investment Committee sets out a duty for the Committee to review regularly the delivery by an investment manager of any ESG objectives. There may be additional detail in further documents which we have not had sight of.

OneFamily were not able to evidence or describe the ongoing oversight of the stewardship activities of EdenTree. The GAA suggests that either the policies in place within OneFamily are not sufficient to include this as an expectation, or that if there are clear expectations around the oversight of stewardship activities, then these have not been enacted sufficiently.

Appendix A: Administration charge and transaction cost disclosures

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

The Firm has compiled these disclosures and compounding illustrations, which are provided on a publicly accessible website at www.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report

Appendix B: Approach to comparisons

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

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

How the comparators were selected

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

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

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

Comparison of net investment performance

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

Comparison of communication provided to policyholders

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

Comparison of administration services

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

Comparison of costs and charges

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

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

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

Appendix C: GAA activity and regulatory matters

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

GAA engagement and actions this year

We prepared and issued a request for data on all the relevant workplace pension policies in early 2024.

Members of the GAA met with representatives of the Firm to kick off the Value for Money assessment process for the 2023 calendar year and to discuss and agree timescales.

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

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

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

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

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

The key dates are:

Item	Date
Issue data request	02/02/2024
Kick off meeting	19/02/2024
Site visit	16/04/2024
GAA panel review meeting	30/05/2024
Discuss provisional scoring	05/06/2024

The arrangements put in place for policyholders' representation

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

- The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via **www.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report**
- 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.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report**

Appendix D: ZEDRA GAA credentials

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

- Act solely in the interests of the relevant policyholders of those pension plans, and to
- Assess the "value for money" delivered by the pension plans to those relevant policyholders.

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

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

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

The members of the ZEDRA GAA are appointed by the Board of ZEDRA Governance Ltd. The Board is satisfied that individually and collectively the members of the GAA have sufficient expertise, experience, and independence to act in the interests of relevant policyholders and pathway investors.

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

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

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

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

Information on Dean's experience and qualifications can be found at www.deanwettonadvisory.com

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

The terms of reference for the GAA agreed with the Firm can be found at: www.onefamily.com/help/legacy-products/pensions/governance-advisory-arrangement-report

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

	Group Personal Pension Plans and Individual Personal Pension Plans[1]
Number of employers:	
Non-qualifying for auto-enrolment[2]	7
Total number of policyholders:	1,072
Contributing	73
Non-contributing	999
Total value of assets (market value)	**£30.0m**

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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