



ZEDRA

DO MORE. ACHIEVE MORE.

Chair's annual report

Curtis Banks Workplace Personal Pension Plans

- | Year ended 31 December 2021
- | The ZEDRA Governance Advisory Arrangement (GAA)

September
2022



Executive summary

This report is on the workplace personal pension plans provided by Curtis Banks ('the Firm') through their Self Invested Personal Pension Plans ('SIPPs') that are in the scope of our review. It has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement ('the GAA') 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 Curtis Banks, the latest version of which is dated 28 March 2022 and are publicly available (see Appendix D).

This is our seventh annual report for workplace personal pension plans provided by Curtis Banks. This report covers a smaller number of policies than our previous reports which follows an internal review by Curtis Banks of the policies that fall within the scope of our review. Our previous reports also considered SIPPs where two or more employees on the same employer's payroll had chosen the same SIPP, but which were not sold to be workplace personal pension plans (referred to as "accidental workplace personal pension plans").

Curtis Banks has determined that these accidental workplace personal pension plans fall outside the scope of our review this year and has only provided the GAA with data in respect of these policies.

The GAA cannot determine the policies that fall within the remit of the GAA review. It is the provider (i.e., Curtis Banks) that is responsible for making this determination and the GAA report on the policies in the scope of our review. The GAA recommended that Curtis Bank should consider liaising with the FCA on the acceptability of this approach.

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

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

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

It is possible that some policyholders in this latter group may be advised or sophisticated, but this has not yet been confirmed by Curtis Banks. This latter group of non-advised Corporate SIPPs is also the smaller proportion of the total population (31.7% by headcount or 38.3% by fund value) but is not insignificant and therefore the GAA has assessed this group separately. This group includes two Corporate SIPPs for firms that are in insolvency which make up 62.5% of this group by headcount.

As Chair of the GAA, I am pleased to deliver this value assessment of the SIPPs provided by Curtis Banks that are in the scope of our review. The GAA has conducted a rigorous assessment of the Value for Money delivered to policyholders over the period 1 January 2021 to 31 December 2021.

The GAA has developed a Framework to assess Value for Money which balances the quality of services provided to advised and sophisticated policyholders against what they pay for those services. For such policyholders, less weighting is placed on investment strategy and performance than other criteria within a SIPP wrapper, since the Firm has no role in setting or managing investment strategies. The group of policyholders who are not known to be advised or sophisticated are considered under our full framework as Curtis Banks is effectively deemed to be responsible for more areas, even though in practical terms they may not be able to provide the service to meet this requirement. Further details are set out on page 7.

A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

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

* May not add to 100% due to rounding.

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

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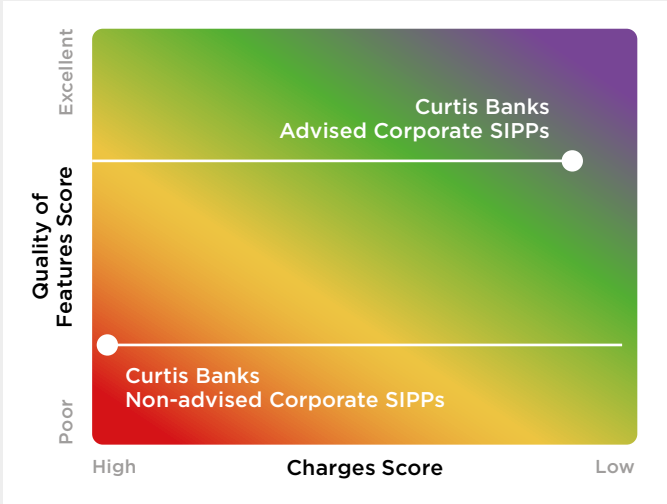
The Overall Value for Money rating is determined on a rating scale based on the product of the overall scores for the individual Features and the weightings shown in the above table, the Investment and Quality Features combined representing two-thirds of the overall score and the Cost and Charge Level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

The overall conclusion is that the workplace personal pension plans in the form of the Corporate SIPPs provided by Curtis Banks that are in the scope of our review is that:

- | the advised Corporate SIPPs provide **good** value for money overall, but due to the impact of the fixed monetary charges on smaller funds, around 4% of the policies have been assessed as providing **satisfactory** value for money due to the size of charge relative to their fund size; and
- | the non-advised Corporate SIPPs provide **poor** value for money overall considering the average level of charges, but this is due to the impact of the fixed monetary charges on smaller funds. However, approx. 75% of the policies by number have been assessed as providing **satisfactory** value for money.

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

VALUE FOR MONEY SCORING



The overall poor/satisfactory rating for the non-advised Corporate SIPPs is due to the additional investment aspects that Curtis Banks are considered to be responsible for as the policyholders are not advised as well as the impact of fixed monetary charges on small funds.

Overall, the GAA has challenged Curtis Banks to:

- | make improvements to the charges that are applied to small funds as this would significantly improve the value for money for these policies;
- | to conclude its review of the status of the policyholders who are currently deemed to be either non-advised or not sophisticated; and
- | to produce an improvement in the SLAs once remedial measures have taken effect.

In addition, for the non-advised Corporate SIPPs, the GAA has challenged Curtis Banks in the following areas.

- | To improve the investment review carried out and make it more relevant to the nature of the underlying policyholders.
- | To continue to develop the extent of the review it carries out of the investment performance and risk and to ensure the relevant information is collected from fund managers to be incorporated into the GAA review.

The GAA has also challenged that the Firm should ensure **transaction costs** can be provided on the DC workplace methodology basis, in order to be able to meet the FCA disclosure requirements. The GAA note that costs are disclosed individually by Curtis Banks to all policyholders annually in line with the requirements of PS19/21 (the Policy Statement issued by the FCA) based on the information provided by the fund managers, but that this information may not be complete. If the Firm experiences difficulty in obtaining the transaction costs in the prescribed format the GAA expects the Firm to escalate this to the FCA.

In addition, the GAA also made the following observation:

- | Curtis Banks should continue to engage with policyholders and proactively seek feedback.

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

Given the limited involvement by the Firm in setting investment strategy 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 is needed to properly embed them into the review of investment funds where this is deemed to fall on Curtis Banks (i.e. for the non-advised Corporate SIPP policyholders).

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

The FCA has introduced new requirements this year. One of these new changes require us to undertake 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 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.

Another new requirement that the FCA has introduced is for the provider to disclose, and make available on a publicly accessible website, the costs and charges, including transaction costs, for all fund options, as well as providing an illustration of the compounding impact over time of the costs and charges, for a representative range of funds. The GAA understands that while Curtis Banks provides this information for the default arrangement and also provides each policyholder with a detailed cost and charges report relating to their own funds in their annual statement, they are not likely to meet the specific FCA new disclosure requirements by the 30 September 2022 deadline. The SIPPs provided by Curtis Banks allow policyholders to invest in the whole of the market and as Curtis Banks do not provide advice, they do not consider that whole of market SIPP providers will be able to comply with this specific requirement. The GAA has had discussions with Curtis Banks on this, and intend to raise a formal concern with Curtis Banks.

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

Clare James

Chair of the ZEDRA Governance Advisory Arrangement

September 2022



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:

Client Relationship Department, Curtis Banks
3 Temple Quay, Bristol, BS1 6DZ

Telephone: 0117 910 7910

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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 Curtis Banks to its policyholders by looking at costs versus investment and service benefits. More detail about how we have done this is set out below.

Regulatory changes

The Framework used for this year's assessment has been updated to reflect changes to the Conduct of Business Sourcebook ([COBS](#)) in effect from the 2021 assessment year. This includes a requirement for an explicit assessment of [net investment performance](#), and the assessment of any charges the policyholders might need to pay in operating their policy which are in addition to any [annual management charges](#) and [transaction costs](#). Our framework already included assessment of communications and processing of [core financial transactions](#). These changes have been reflected in the assessments reported on in sections 2. Investment Performance and Risk, 3. Communication, 6. Administration and Operations and 8 Cost and Charge Levels.

In carrying out these assessments we have taken into account whether the Firm's SIPP offering is provided only to advised clients or offered to sophisticated investors. As a result, where this is the case, we have not placed any weighting on the investment performance outcomes or the costs directly payable to the underlying investment manager (including transaction costs) or to the IFA who provides advice. As the policyholder is either advised or sophisticated either the IFA or the policyholder themselves are directly responsible for

making the choice of investment and monitoring how it performs. We recognise that this is a variation from the COBS requirement but feel it is appropriate given the scope of what is within the control of the Firm.

In addition, the regulatory changes introduced a requirement to undertake comparisons of the Firm's product offering against a suitable comparator group of providers products across net investment performance, communications, processing of core financial transactions, and costs & charges. We have included comments on these comparisons in each relevant section of the report. For the reasons already set out, we have not undertaken a comparison of the net investment performance. Details of how the comparator group was selected and a consolidated view of the comparison outcomes are included in Appendix B.

Our approach

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

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

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

- | Issuing a comprehensive data request to the Firm, requesting information and evidence

across a wide range of quality features, including full information on all costs and charges, including transaction costs.

- | Attending a number of formal meetings with representatives of the Firm to interrogate the data provided and to enable the GAA to question or challenge on any areas of concern. All such meetings have been documented by formal minutes and a log is also maintained containing details of any challenges raised, whether informally or through formal escalation.
- | Once the Firm has provided 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.
- | 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, 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 Features 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 features considered has 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 Features and in the assessment of 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 in order 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 then went on to 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 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 GAAs views of the relative importance to the policyholders of each Feature. The weightings are tilted towards the Features and sub-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.

Value for money assessment framework for Group SIPPs

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

The FCA requires the GAA to assess whether:

1. "default investment strategies are designed and managed taking the needs and interests of **relevant policyholders** into account"

2. “default investment strategies have clear statements of aims and objectives”
3. “all investment choices available to relevant policyholders, including default options, are regularly reviewed to ensure alignment with the interests of relevant policy holders”

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

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

For unsophisticated and non-advised policyholders, the GAA assesses the provider’s process of reviewing the characteristics and performance of the investment strategies.

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

Nearly all Group SIPPs, including the majority of those offered by the Firm, do not have default funds in operation because each member is choosing their own investments. This removes the first two areas of assessment in the bullet points above for such policyholders.

Accordingly, the GAA has not assessed the Firm in relation to the first two areas highlighted above for such policyholders (i.e., the advised Corporate SIPP policyholders), but as there are four non-advised Corporate SIPPs that are deemed to have a default investment strategy in place,

the GAA has assessed the Firm in respect of these policyholders.

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

Similarly, the GAA has not assessed the Firm’s advised Corporate SIPPs in relation to transaction costs and the charges paid directly to the underlying investment managers over which they have no control or influence, instead focussing on ensuring that such charges are appropriately disclosed to policyholders.

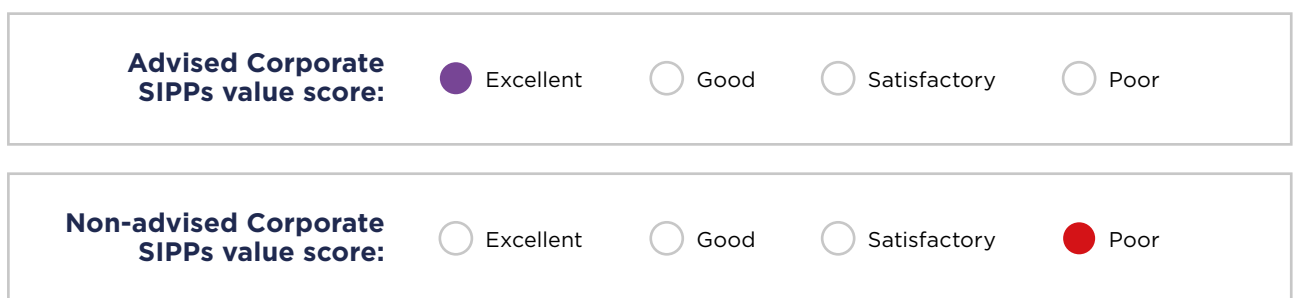
In the sections on the following pages, we have described the Firm’s approach to delivering each of the Features, and the rating the GAA has awarded, together with any areas for improvement we have identified.

In addition, there is a section 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. We have taken into consideration the limited role the Firm has in setting investment strategy when forming these views. 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 quality of communication and quality of the administration service including the processing of core financial transactions, costs and charges (SIPP provider-controlled costs only for advised Corporate SIPPs) and the disclosure of cost and charges relative to a suitable comparator group of product providers. We have not included an assessment of net investment return for advised and sophisticated investors but have included this in respect of other SIPP policyholders (i.e. for the non-advised Corporate SIPP policyholders). 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



What are we looking for?

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

Where this is the case, our assessment is focussed on how policyholders are supported when exploring their investment options. We expect to see that all investment options have clear statements of aims and objectives – in particular that as well as qualitative objectives, there are quantitative objectives in place, that investment performance outcomes can objectively be measured against. Ideally, we would like to see evidence that policyholders are reminded to review their investments regularly.

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

For any policyholders who do not receive independent financial advice and who are not sophisticated investors we consider the support provided by the Firm to assist policyholders with reviewing their investment choices to ensure they remain appropriate.

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

The Firm's approach

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

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

Curtis Banks does not generally review investments made available on the platform for alignment with the interests of [relevant policyholders](#). Instead, any review is restricted to ensuring the investment fund meets with the guidelines of permissible investment for this class of investor. Fund factsheets are not provided for the underlying investment options and Curtis Banks do not believe it is for them to review these.

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

There are default investment strategies in place for four of the 17 Corporate SPPs, all of which are in the non-advised group. Some of these strategies were put in place at the plan outset when the plan was advised. Of these four schemes, one is deemed to have a default investment strategy by Curtis Banks as the firm is in administration, and two of the default funds have a lifestyle strategy.

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

Curtis Banks reviews the default funds annually and reports to its investment committee, although this review is a factual report summarising performance and does not consider the suitability of the investment strategy for the underlying policyholders.

Curtis Banks are not permitted to provide advice and are therefore unable to carry out and execute an investment strategy review. Similarly, Curtis Banks do not consider that they are able to influence the investment strategies chosen by the discretionary fund managers.

The Firm's strengths

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

Most of the Corporate SPPs invest with discretionary fund managers.

Curtis Banks do carry out a review of the default funds to report on investment performance, where this is made available to them, purely for the purposes of GAA oversight.

The GAA acknowledge that Curtis Banks' role in strategy design and investment objectives is very limited.

Improvements since last year

Curtis Banks has continued to investigate and monitor the status of its SPP policyholders to seek confirmation that non-advised policyholders can be considered "high net worth" or "sophisticated" although this review is still ongoing.

Curtis Banks has been engaging more heavily this year with the GAA about the extent of review that is required on their part.

Areas for improvement

GAA challenge

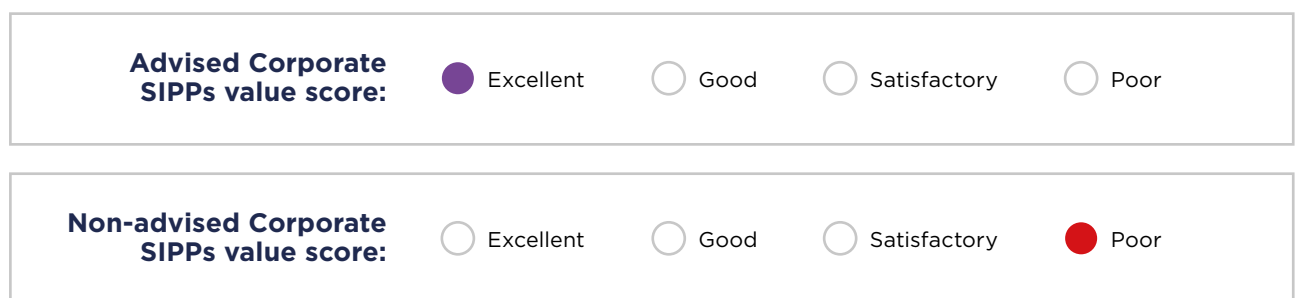
The GAA expects to see Curtis Banks conclude its investigation into the status of its SPP policyholders particularly given the smaller number of policyholders that are now in the scope of our review.

This should include confirmation that non-advised policyholders can be considered "high net worth" or "sophisticated" and where this is not the case that additional protections are put in place for non-advised policyholders to the extent that Curtis Banks can under its regulatory regime. For example, to consider limiting the range of investments that non-advised policyholders can make, to signpost non-advised policyholders to guidance and support so that they consider their investment choices and alternative pension products that they could transfer to or alternatively that such members are required to seek advice.

For any non-advised groups that remain, the GAA would like to see an improvement in the investment review carried out and it made more relevant to the nature of the underlying policyholders.



2. Investment performance and risk



What are we looking for?

For advised policyholders, we acknowledge the limited role that the Firm plays in that they make available investment options but do not assess the performance of those funds as this falls within the remit of the IFA. Nevertheless, we expect to see a robust governance framework under which investment performance information is regularly gathered and made easily accessible to policyholders and advisers. The performance results disclosed should be assessed against investment objectives, including against a measurable and stated benchmark and should be net of investment fees

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

Where there are any concerns over investment performance, we expect to see evidence of appropriate action being taken, which may include

engagement with investment managers and/or implementing changes to fund options. We also expect to see evidence that the strategies are effective and take into account the policyholders' attitudes to risk.

The Firm's approach

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

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

Curtis Banks monitor investment performance and risk (to some extent) for the non-advised Corporate SIPPs annually with performance being compared against benchmarks, although this has been to a limited extent.

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

The Firm's strengths

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

For the non-advised Corporate SIPPs, a review of investment performance has historically been carried out annually but a full review has not been completed for 2021 due to further consideration of the Firm's role and the review of policyholder status. However, the GAA was pleased to see Curtis Banks engaging with the GAA to further understand the extent of review that is expected with a view to extending this further in the next year.

Net investment performance

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

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

Curtis Banks is aware of the need to carry out this assessment and has been determining the extent of information required from the investment managers to be able to report more fully on this.

Information has been provided on performance against benchmarks for the year to 31 December 2021 for the largest non-advised Corporate SIPP where the policyholders invest in Castlefield's Progressive Pension Portfolio Lifestyling Scheme. This contains ten different profiles reflecting different asset types depending on the number of years to expected retirement. The figures shown are for different profiles and are before taking into account the fees charged by Curtis Banks.

Profile	Investment Performance	Benchmark
1. Growth (high risk - 100% equity)	8.9%	7.5%
2. Growth (medium risk 80% equity)	7.8%	7.5%
3. Balanced (60% equity)	6.9%	5.9%
4. Balanced (41% equity)	6.3%	5.9%
5. Balanced (27% equity)	4.5%	5.9%
6. Balanced (0% equity)	4.2%	5.9%
7. Income (10% cash)	3.1%	3.7%
8. Income (15% cash)	2.8%	3.7%
9. Income (20% cash)	2.0%	3.7%
10. Income (25% cash)	1.9%	3.7%

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

Comparator results

We have assessed how the net investment performance provided to the Firm's policyholders in the largest of its non-advised Corporate SIPPs 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 to the extent this information has been made available.

This assessment identified that the one year net investment performance for the Firm's policyholders over 2021 for this non-advised Corporate SIPP was average for the comparator group in relation to default and other funds on offer.

This assessment only considers the largest non-advised Corporate SIPP as relevant information was provided for this SIPP. We have not been able to make an assessment for other non-advised Corporate SIPPs.

Areas for improvement

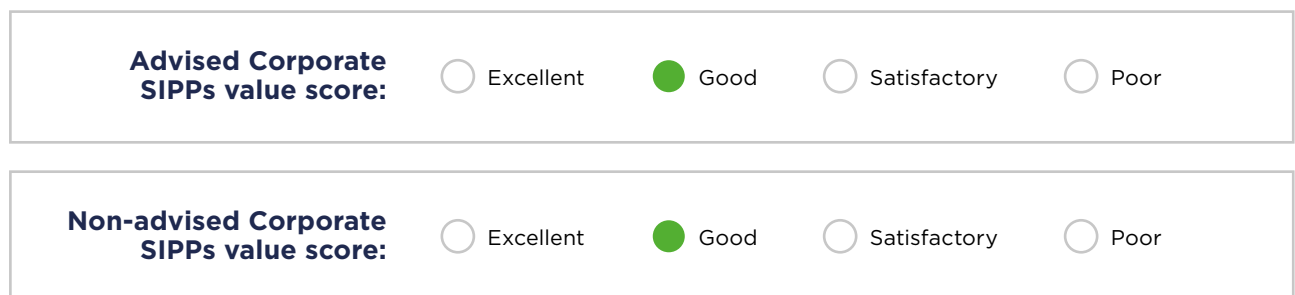
GAA challenge

Curtis Banks should conclude its review of the status of policyholders to ascertain the exact extent of policyholders within the Corporate SIPPs that are truly non-advised.

To the extent that there are non-advised policyholders, Curtis Banks should continue to develop the extent of the review it carries out of the investment performance and risk and to ensure the relevant information is collected from fund managers to be incorporated into the GAA review.



3. Communication



What are we looking for?

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

Where the Firm is communicating directly with policyholders, we would expect to see a comprehensive suite of communications including annual benefit statements, pre-retirement wake-up letters and retirement option packs.

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

Although an advised policyholder would expect to get most of their support from their independent financial adviser, in a high-quality communication service offering we would expect the Firm to offer substantial additional support, with a range of materials such as online calculators to enable personalised calculations with various selectable options although these may be made available via the policyholders' IFA rather than to the

policyholder directly. We would expect telephone support to be available, with good evidence of telephone scripts, call monitoring and staff training.

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

We 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

Curtis Banks provides policyholders with annual SMPI statements and the usual wake-up letters, starting from 10 years before the policyholder's selected retirement date continuing to six weeks before retirement with reminders sent thereafter if benefits have not been taken.

These communications are clear with all the relevant information. Annual statements remind policyholders that they should regularly review

their investments with their IFA. Pension scams are highlighted to make policyholders aware of the risks.

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

Additional information is provided online for policyholders both via the general website that provides additional literature and help guides and the online portal that provides information about policyholder's investments. The GAA was given a demonstration of the portal by Curtis Banks.

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

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

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

The Firm's strengths

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

Policyholders are able to use the secure messaging facility on the Curtis Banks website to contact the client management team to send investment instructions.

Comparator results

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

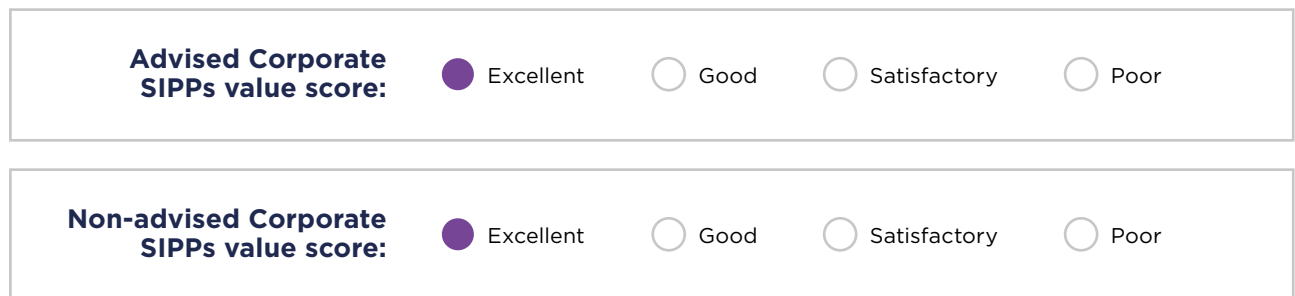
This assessment identified that the communication materials provided to the Firm's policyholders over 2021 were close to the median relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.



4. Firm governance



What are we looking for?

We would expect to see a comprehensive governance structure in place for appointing and monitoring service providers, with evidence of regular reviews being undertaken and active changes being made as required.

The Firm's approach

The Firm runs its administrative services in-house and appropriate service level agreements ('SLAs') are in place, which are regularly monitored by the Group Operational Risk & Compliance Committee.

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

Curtis Banks relies on internal teams to operate its IT and this is monitored regularly by the Group Financial Crime and Information Protection Committee.

The Firm's strengths

Curtis Banks has evidenced a robust governance process by providing a suite of the policies and procedures that are in place along with terms of reference for key governance committees.

The GAA were provided with evidence of the investment committee's approval of allowable investments.

Curtis Banks operates three lines of defence which includes the Risk and Compliance team and Governance committees with additional oversight by internal audit, which is outsourced to a third-party auditor and evidence of this was provided to the GAA.

The Group Operational Risk & Compliance Committee review the SLA performance.

Areas for improvement

GAA observations

The GAA would like to see the review of the advised status of the policyholders in the Corporate SIPPs completed and for an ongoing requirement to monitor this to form part of the ongoing future governance framework.



5. Financial security

Advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input checked="" type="radio"/> Good	<input type="radio"/> Satisfactory	<input type="radio"/> Poor
Non-advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input checked="" type="radio"/> Good	<input type="radio"/> Satisfactory	<input type="radio"/> 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

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

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

Staff receive annual training including AML and fraud prevention.

Customer assets benefit from FSCS protections. The proposition is a trust-based wrapper, rather than insurance contracts.

The Firm's strengths

Curtis Banks Group is traded on AIM market of the London Stock Exchange. Surplus capital was reported to be £15.1m at 31 December 2021 (above regulatory capital and internal policy capital) or £17.0m before allowing for the internal policy capital. This has remained at broadly the same level as the prior year.

Curtis Banks maintain an AKG rating of B (Strong) with the latest report issued in October 2021.

Internal audit is carried out by a third-party auditor.

Standard FSCS protections are available for policyholders in the event of a failure within Curtis Banks.

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

Areas for improvement

The GAA did not identify any specific areas for improvement.

Although the rating given by the GAA has reduced from Excellent to Good since our last Chair's annual report, this reflects a change in the approach to the assessment by the GAA rather than any material change in the underlying financial security provided by Curtis Banks.



6. Administration and operations

Advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input type="radio"/> Good	<input checked="" type="radio"/> Satisfactory	<input type="radio"/> Poor
Non-advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input type="radio"/> Good	<input checked="" type="radio"/> Satisfactory	<input type="radio"/> 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 Firm carries out the administration of its SIPPs in-house with a dedicated team running a task management system. The target timescales for administration processes in SLAs are generally short (five working days or less).

Core transactions were generally processed promptly, but there were quite a few instances where SLAs missed although data is not analysed by the different types of policies operated by Curtis Banks.

Two departments were put in formal recovery during 2021. The Client Relations Department entered formal recovery and the Bristol Benefits Department also entered formal recovery in Q3 2021. These were both targeted to return to full recovery by mid 2022. The Client Relations Department have taken a number of steps, including categorisation of complaints to allow a higher proportion to be completed by business areas depending on the nature of the complaint, as well as increasing the proportion completed across the business. The Bristol Benefits Department are responsible for processing retirements across the workplace book. Formal recovery was put in place following a marked change in retirement volumes received in 2021.

As part of the actions identified through the recovery work, the SLA for processing a new retirement request will be reviewed to account for additional stages in the process following the introduction of Pensions Freedoms, Investment Pathways, Cash warnings and 'Stronger Nudge' requirements.

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

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

Systems are protected to a high standard from cyber-attacks and are regularly monitored.

The Firm's strengths

Core transactions were generally processed promptly, but there were quite a few instances where SLAs missed. Overall, during the year, 96% of benefits were disinvested within the SLA, 100% of payroll requests and single contributions were processed within the SLA, but SLAs were missed for retirements with only 7% being processed within the 5 day SLA and for transfers out with 56% processed within the 5 day SLA. There is a low volume of transactions within this book of business other than processing disinvestments.

Fifty complaints were received during the year for the Corporate SIPPs (43 from one adviser due to fund values being incorrectly stated). This equates to a ratio of 5.6% for this book of business. All of the complaints resolved were upheld with redress given in most cases.

The Group Financial Crime and Information Protection Committee provide oversight to Information security. Regular penetration testing is conducted annually by an external party. Adhoc testing of the security module was also conducted throughout the year.

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 2021 were marginally below average for the advised Corporate SIPPs and below average for the non-advised Corporate SIPPs relative to the respective comparator groups.

Areas for improvement

GAA challenge

The GAA expects to see an improvement in the SLAs during 2022 following the remedial measures taken.



7. Engagement and innovation

Advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input type="radio"/> Good	<input checked="" type="radio"/> Satisfactory	<input type="radio"/> Poor
Non-advised Corporate SIPPs value score:	<input type="radio"/> Excellent	<input type="radio"/> Good	<input checked="" type="radio"/> Satisfactory	<input type="radio"/> 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 or their advisers to obtain feedback and for this feedback to be taken into account when reviewing the product offering.

The Firm's approach

Benefit statements and newsletters sent to policyholders invite feedback. Feedback is also sought after adviser webinars, which provide 'live' answers from attendees. An example of the results were shared with the GAA.

Feedback was also received following newsletters sent to the non-advised policyholders although

this was primarily updates to contact details and requesting electronic copies of the newsletter.

The Firm's strengths

Product reviews are carried out regularly and the Corporate SIPPs are in scope for a review in relation to a system migration strategy.

A project was put in place to introduce "Stronger Nudge" procedures and scheduled for completion in 2022. This will also cover the rebranding of the Money Helper support.

Two new calculator tools were developed during 2021 and subsequently launched in Q1 2022. These were Annual Allowance and salary sacrifice calculations to assist policyholders and IFAs. As these were not launched until 2022, they will be taken into account in the next annual review.

It is clear that the company remains dedicated to support and grow its SIPP business.

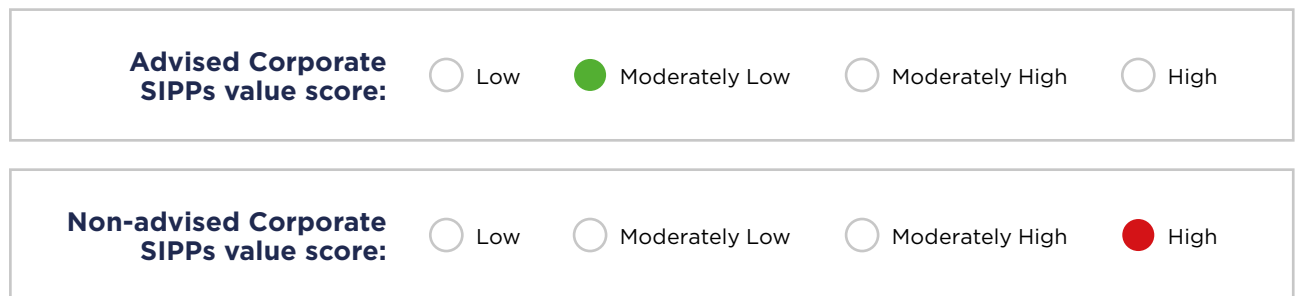
Areas for improvement

GAA observations

Although feedback is invited from policyholders, the GAA would like to see more is done in this respect to proactively seek feedback and engage with policyholders.



8. Cost and charge levels



What are we looking for?

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

- | The annual account administration charges being borne by policyholders.
- | Any other charges being paid to the Firm by policyholders to manage and administer their workplace pensions.
- | The process for collecting and monitoring overall member charges, including [transaction costs](#).
- | Whether the overall level of charges within the control of the Firm is reasonable, bearing in mind the nature of the services provided by the Firm.
- | The distribution of charges across policyholders.

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

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

Required disclosures relating to costs and charges payable by the Firm's policyholders are reported on in Appendix A.

The Firm's approach

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

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

The annual product fee for the Corporate SIPPs is generally between 0.125%-0.30% or where expressed in monetary terms a range of different fees applies (from £75 to £420 per annum), depending on factors specific to each scheme.

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

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

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

The Firm's strengths

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

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

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

Proportion of policies in each group	Advised Corporate SIPPs	Non-advised Corporate SIPPs
<0.25%	69%	60%
0.25-0.35%	26%	11%
0.35-0.45%	1%	6%
>0.45%	4%	24%

However, for those with higher charges, they can be significantly high due to the impact of fixed monetary charges on small funds. This distorts the average fund charge resulting in a lower rating than would otherwise be the case. For example, the average charge for the policyholders with charges greater than 0.45% is 2.8% for the advised Corporate SIPP policyholders and 2.9% for the non-advised Corporate SIPP policyholders. In addition, for the non-advised Corporate SIPPs, underlying investment charges are taken into account in our overall assessment as Curtis Banks is deemed to be responsible for the investments for this group.

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

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

Improvements since last year

Additional data was made available to the GAA this year allowing us to consider charges at a more granular level.

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 2021 were average overall for the advised Corporate SIPPs but higher than average overall for the non-advised Corporate SIPP relative to the respective comparator groups.

Areas for improvement

GAA challenge

The GAA has challenged the Firm to obtain transaction costs on the prescribed methodology to comply with reporting requirements in subsequent years. If the Firm is unable to obtain the transaction costs in the prescribed format the GAA will expect the Firm to escalate this to the FCA.

Although minimum investment limits apply to some new SIPPs, the GAA would like to see policyholders regularly reminded that charges can be relatively high due to the low level of assets held and would like to see Curtis Banks make improvements to the charges that are applied to small funds as this would significantly improve the value for money for these policies.



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, 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.

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

The Firm's approach

ESG is considered within Curtis Banks with an independent materiality assessment carried out for the group. Curtis Banks's approach to ESG includes:

- | A partnership with The Intergenerational Foundation
- | Engagement with deposit taking counterparties

- | Curtis Banks is an accredited UK Living Wage Foundation employer
- | An analysis of their commercial property holdings to consider the environmental impact.

This has also led to the publication of the Curtis Banks Group ESG Strategy and Policy on the Firm's website.

As the SIPPs allow investments effectively in the whole of market, ESG is not considered for the SIPPs investments.

Some consideration is given to how the underlying fund managers of the non-advised Corporate SIPPs apply ESG to their funds as part of Curtis Banks review of investments for this group. This review is limited as Curtis Banks do not consider themselves to be responsible for the underlying investments.

The Firm's strengths

The Firm has a commitment to ESG and is continuing to grow a strong ESG philosophy and strategy going forward. Accountability is taken at a senior level and considered by members of the executive committee.

Areas for improvement

GAA challenge

The GAA would like to see consideration of ESG as part of the review of investments for non-advised Corporate SIPPs where this is required to be carried out by Curtis Banks.



Appendix A: Cost and charge disclosures

The FCA has introduced requirements that the administration charges and transactions costs information, 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 policyholder is able to select. They should also include an illustration of the compounding effect of the administration and investment charges and transaction costs, on a prescribed basis and for a representative range of fund options that a policyholder is able to select.

Curtis Banks has provided the GAA with the following disclosures in respect of the period 1 January 2021 to 31 December 2021 for the non-advised Corporate SIPPs that have default funds.

Fund option	Platform charge %	Investment charges %	Product charges ¹ £	Product charges ¹ %	Transaction charges %	Total annual charges %
Beaumont Taxation Services	0.4%	0.22%	£75	0.13 - 0.71%	not available	1.33%
Fusion Wealth	n/a	n/a	Met by employer	Met by employer	not available	n/a
Nilorn UK Ltd	0.4%	0.89 - 0.92%	£75	0.16 - 10.45%	not available	1.45 - 11.77%
WTB Holdings Ltd (in administration)	0.3%	n/a	£75	0.02 - 69.14%	not available	0.32 - 69.44% plus investment charges

Notes:

- In this table, product charges are shown in monetary terms, but have also been expressed as a range based on the fund size for each policyholder. Where a fixed charge is made, the actual % will vary per member depending on their fund size. The high charges relate to small funds.

The following table shows the impact of charges for each default fund. The fund is projected over several years and shown before and after cost and charges have been deducted.

Term	Beaumont Taxation Services		Fusion Wealth		Nilorn UK Ltd		WTB Holdings Ltd (in administration)	
	Before Charges £	After Costs and Charges Deducted £	Before Charges £	After Costs and Charges Deducted £	Before Charges £	After Costs and Charges Deducted £	Before Charges £	After Costs and Charges Deducted £
1	29,812	28,577	59,330	59,330	9,695	9,739	35,198	34,826
3	27,877	26,259	62,334	62,334	10,186	9,826	34,833	34,093
5	26,067	24,130	65,489	65,489	10,701	9,915	34,472	33,376
10	22,041	19,530	74,095	74,095	12,108	10,140	33,585	31,649
15	18,636	15,808	83,832	83,832	13,699	10,370	32,720	30,011
20	15,758	12,794	94,848	94,848	15,499	10,606	31,878	28,458
25	13,324	10,356	107,312	107,312	17,536	10,847	31,058	26,985
30	11,266	8,382	121,413	121,413	19,840	11,093	30,259	25,589
35	9,526	6,784	137,368	137,368	22,447	11,345	29,480	24,264
40	8,054	5,491	155,419	155,419	25,397	11,602	28,722	23,008

Notes:

- 1) Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation (inflation is assumed to be 2.5% p.a.).
- 2) The starting fund size is based on the average fund size for each default fund at 31 December 2021.
- 3) Charges deducted are a combination of platform, investment and product charges and do not include other third party fees (including transaction costs) due to the unavailability of information.
- 4) No future contributions are allowed for in the projections.
- 5) Values shown are estimates and are not guaranteed.
- 6) Growth has been included in line with averages received or standard growth rates considered by Curtis Banks to be appropriate to the asset class:
- 7) The assumed projected growth rates before costs and charges, are as follows:
 - a. Beaumont Taxation Services: -0.8% p.a.
 - b. Fusion Wealth: 5.0% p.a.
 - c. Nilorn UK Ltd: 5.0% p.a.
 - d. WTB Holdings Ltd: 1.98% p.a.

The GAA understands that Curtis Banks are unlikely to make available the required disclosures on costs and charges for all fund options that policyholders are able to select, together with compounding illustrations for a representative range of funds on a publicly accessible website within the required timescale. This is because, as a whole of market SIPP provider, Curtis Banks offers access to hundreds of different investments.

The GAA acknowledges that Curtis Banks does already provide detailed personalised cost and charge information to policyholders and their advisers in relation to their own funds, however this does not fully comply with the new FCA requirements. The SIPPs provided by Curtis Banks allow policyholders to invest in the whole of the market and as Curtis Banks do not provide advice, they do not consider it is feasible to be able to comply with this requirement.

The GAA has had discussions with Curtis Banks on this, and intend to raise a formal concern with Curtis Banks if the disclosures are not available, or remain in non-compliant form, by the deadline.

The GAA will provide an update in next year's report.



Appendix B: Comparison report

Commencing with the 2021 year assessments the FCA introduced a requirement 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 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.

As this is the first year when these disclosures are required the availability of public information relating to the sub-features that need to be compared is limited prior to the publication of this year's reports. ZEDRA Governance Ltd'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 in order to improve the meaningfulness of the comparisons undertaken 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 Advised Corporate SIPPs and the Non-advised Corporate SIPPs respectively.

Comparison of Net Investment Performance

This section is only relevant for policyholders in the non-advised Corporate SIPPs.

We have assessed how the [net investment performance](#) provided to the Firm's policyholders in the largest of its non-advised Corporate SIPPs 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 2021 for this non-advised Corporate SIPP was average for the comparator group in relation to default and other funds on offer.

This assessment only considers the largest non-advised Corporate SIPP as relevant information was provided for this SIPP. We have not been able to make an assessment for other non-advised Corporate SIPPs.

Comparison of Communication provided to policyholders

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 2021 were close to the median for both groups relative to their respective comparator groups.

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 compare to other sufficiently similar employer pension arrangements.

This assessment identified that the administration services provided to the Firm's policyholders over 2021 were marginally below average for the advised Corporate SIPPs and below average for the non-advised Corporate SIPPs relative to the respective comparator group.

Comparison of costs and charges

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

- | Annual administration charge
- | Other costs & charges
- | Approach to cost data collection and disclosure

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

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2021 were average overall for the advised Corporate SIPPs but higher than average overall for the non-advised Corporate SIPP relative to the respective 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 late 2021.

Members of the GAA had a meeting with representatives of Curtis Banks to kick off the Value for Money assessment process for the 2021 calendar year and to discuss and agree timescales.

Members of the GAA had a meeting with representatives of Curtis Banks 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, given COVID 19 considerations, this meeting was virtual.

Members of the GAA had a meeting with representatives of Curtis Banks to discuss the GAA's provisional scoring of Value for Money of the in-scope Curtis Banks 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, Curtis Banks has provided the GAA with the majority of information that we requested,

including evidence in the form of minutes and other documentation to support areas of discussion at the site visit. However, full details have not been provided of the underlying [transaction costs](#) incurred on the funds or the investment performance compared to benchmark for all the non-advised Corporate SIPPs, where Curtis Banks is deemed to be responsible for reviewing this.

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 and evolved our Value for Money assessment framework to include a broader range of evaluation criteria, which is reflected in this report. Some of these changes were made in response to regulatory amendments relating to the Value for Money assessment criteria and what must be disclosed to workplace pension fund members.

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

The key dates are:

Item	Date
Issue data request	17/12/2021
Kick off meeting	24/01/2022
Site visit	09/05/2022
GAA panel review meeting	16/05/2022
Discuss provisional scoring	12/07/2022

Concerns raised with the Provider by the GAA and their response

The GAA will be writing to the Governing Body of Curtis Banks to formally raise a concern over the new costs and charges disclosures, if the requirements are not met by the 30 September 2022 deadline.

The arrangements put in place for policyholders' representation

The following arrangements have been put in place to ensure that the views of

policyholders can be directly represented to the GAA:

- | The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via the website.
- | Curtis Banks 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 Curtis Banks 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 so that policyholders can make representation to the GAA direct. Curtis Banks will include details of this contact e-mail address on their 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 Governance Ltd 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. We have oversight or responsibility for in excess of £120bn of pension assets. More information on ZEDRA Governance Ltd can be found at www.zedra.com/pension-schemes/

The members of the 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, including as Chair. All ZEDRA Governance Ltd’s Client Directors act as representatives of ZEDRA Governance Ltd on the GAA and Clare James currently represents ZEDRA Governance Ltd in the capacity of Chair. More information on each of ZEDRA Governance Ltd’s Client Directors, their experience and qualifications can be found at www.zedra.com/zedra-team

Dean Wetton, acting on behalf of Dean Wetton Advisory UK Ltd, is also appointed to the GAA. Dean Wetton and Dean Wetton Advisory UK Ltd are independent of ZEDRA Governance Ltd. 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 agreed with the Firm can be found at: www.curtisbanks.co.uk/about/



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.

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.

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.



Appendix F: Data table as at 31 December 2021

	Curtis Banks Corporate SIPPs		
	Advised Corporate SIPPs	Non-advised Corporate SIPPs	Total
Number of schemes	8	9	17
Total number of policyholders	603	280	883
Total value of assets (market value)	£20.7m	£12.9m	£33.7m

Notes:

The Curtis Banks Corporate SIPPs are pension plans that were sold to employers for use as workplace personal pension plans. All bar one of the policies were sold by Poynton York, before Curtis Banks acquired the business of Poynton York.

- none of the schemes are used for auto-enrolment purposes
- four of the Non-advised Corporate SIPPs have a default investment strategy
- three of the employers are in insolvency (two of these are categorised as Non-advised Corporate SIPPs covering 175 policyholders)



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