ZEDRA

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Chair's annual report

Curtis Banks
Workplace Personal Pension Plans

Year ended 31 December 2022

The ZEDRA Governance Advisory Arrangement (GAA)

September 2023

Executive summary

This report is on the workplace personal pension plans provided by Curtis Banks ('the Firm') through their Self Invested Personal Penson 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') for Curtis Banks 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 the Firm, the latest version of which is dated 28 March 2022 and are publicly available (see Appendix D).

This is our eighth annual report for workplace personal pension plans provided by the Firm.

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

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

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

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

It is possible that some policyholders in this Non-advised Corporate SIPPs group may be advised or sophisticated, but the Firm has not yet been able to confirm this. The Non-advised Corporate SIPPs are the smaller of the two groups but still make up a significant proportion of the Corporate SIPPs (30.6% by headcount but 49.0% by account value) and therefore the GAA has assessed the Advised Corporate SIPPs and Non-advised Corporate SIPPs separately. This group of Non-advised Corporate SIPPs include three Corporate SIPPs for firms that are in insolvency (which make up 56.4% of the Non-advised Corporate SIPPs by headcount), with the majority of these policyholders in one Corporate SIPP.

On 6 January 2023, Nucleus Clyde Acquisition Limited (a newly formed company wholly owned by Nucleus Financial Platforms Limited, announced an agreement to acquire Curtis Banks Group plc. The acquisition was approved by the Firm's shareholders in February 2023 and on 7 September 2023 the Firm announced that all regulatory approvals had been received. The acquisition remains subject to a court sanction hearing and is expected to complete in 2023. As the GAA review only covers a review of the workplace personal pension plans in the twelve-month period to 31 December 2022, the acquisition is not considered further in this report.

As Chair of the GAA for this Firm, I am pleased to deliver this value assessment of the Corporate SIPPs. The GAA has conducted a rigorous assessment of the Value for Money ('VfM') delivered to policyholders over the period 1 January 2022 to 31 December 2022. The GAA has developed a Framework to assess Value for Money which balances the quality of services provided to advised and sophisticated policyholders against what they pay for those services. 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 the Firm 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 the Firm generally charge a fixed fee, while SIPP charges are generally low, the fixed monetary charges can be high for some policyholders when expressed as a percentage of accounts. The rating shown reflects an average across the respective groups, but there is a greater impact across the policyholders in the Non-advised Corporate SIPPs due to the larger proportion of smaller accounts.*

Quality and investment features (1–7)

● Excellent ● Good ● Satisfactory ● Poor

Cost and charge levels (8)

● Low ● Moderately Low ● Moderately High ● High

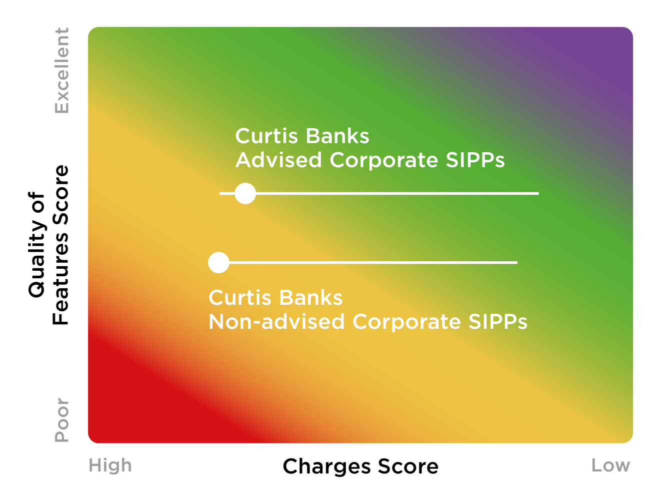
The Overall Value for Money rating is determined on a rating scale based on the product of the overall scores for the individual features and the weightings shown in the above table. The Quality of Service and Investment Features combined (i.e. 1 to 7 in the table above) representing two-thirds of the overall score and the Cost and Charge Level (i.e. 8 in the table above) representing one-third of the overall score.

The overall conclusion is that the workplace personal pension plans in the form of the Corporate SIPPs provided by the Firm 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 accounts, around 4% of the policies have been assessed as providing satisfactory value for money due to the size of charge relative to their account size; and**
- **the Non-advised Corporate SIPPs provide satisfactory value for money overall, due to the impact of the fixed monetary charges on smaller accounts and the additional investment aspects that the Firm is deemed to be responsible for. However, approx. 40% of this group of policies by number have been assessed as providing good value for money where the cost and charges levels are low because either fees are met by the employer, or the size of charge is smaller relative to the account size.**

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

VALUE FOR MONEY SCORING



Overall, the GAA has challenged the Firm:

- to conclude its review of the status of the policyholders who are currently deemed to be either non-advised or not sophisticated; and
- to continue to monitor Service Level Agreements (SLAs) and the GAA hopes to see improvements in areas where SLAs were not met whilst maintaining high response rates in other areas.

In addition, for the Non-advised Corporate SIPPs, the GAA has challenged the Firm in the following areas

- To continue to develop the scope of the review it carries out of the investment performance and risk and to make it more relevant to the nature of the underlying policyholders.

The GAA has previously challenged the Firm on the impact of minimum charges that apply to a large number of policyholders. The minimum charges lead to significantly higher fees (when assessed as a percentage of the account) for those policyholders with relatively small accounts invested. The Firm has not taken action to address the impact of this. Therefore, the GAA intends to raise a formal concern with the Firm's governing body in respect of this and will provide an update in next year's report.

Last year, the GAA raised a formal concern with the Firm as it was not able to meet the new FCA disclosure requirements as the SIPPs provided by the Firm allow policyholders to invest in the whole of the market. The Firm applied to the FCA for a waiver in respect of this requirement and has received a waiver for **COBS** 19.5.7R(9) and 19.5.13R(3) that means it is not required to meet the disclosure requirements for any fund that a policyholder could invest in, but only provide disclosures in respect of each fund the policyholder is currently invested in and for any default arrangements.

In addition, the GAA also made the following observation:

- The Firm should continue to engage with policyholders and proactively seek feedback.

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 the Firm (i.e. for the Non-advised Corporate SIPP policyholders).

The FCA introduced new requirements last year requiring a comparison with other similar options available in the market. If an alternative scheme(s) would offer better value, we must inform the pension provider. Our view on each feature that we are required to make a comparison on is included in the relevant section of the report. Details of how we selected the comparator group, and a consolidated view of our comparator findings is set out in Appendix B. Our assessment identifies that the overall cost and charge level paid by the Firm's policyholders over 2022 is above average relative to the comparator group due to the impact of the minimum charge on small accounts and will notify the Firm's governing body as part of our formal concern noted above that an alternative scheme may offer better value.

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

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

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

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

Steve Longworth

Chair of the ZEDRA Governance Advisory Arrangement for Curtis Banks

September 2023

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

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

Telephone: 0117 910 7910
gaa@curtisbanks.co.uk

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

Contents

Overview of the value assessment

The GAA has assessed the Value for Money delivered by the Firm to its workplace personal pension policyholders by looking at costs versus investment and service benefits. More detail about how we have done this is set out below.

Our approach

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

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

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

- Issuing a comprehensive data request to the Firm, requesting information and evidence across a wide range of quality features, including full information on all costs and charges, including transaction costs.
- Attending a number of formal meetings with representatives of the Firm to interrogate the data provided and to enable the GAA to question or challenge on any areas of concern. All such meetings have been documented by formal minutes and a log is also maintained containing details of any challenges raised, whether informally or through formal escalation.
- Once the Firm has provided all information and evidence requested, the GAA has met to discuss and agree provisional Value for Money scoring using the Framework developed by the GAA and to undertake comparisons of the Firm's product against a suitable comparator group of providers for certain Quality of Service and Investment Features and Cost and Charges.
- The provisional Value for Money score, including a full breakdown, has then been shared and discussed with the Firm.

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

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

Within each of the Quality of Service and Investment Features are several sub-features. These sub-features are each scored using a numerical scoring system of 0 to 4, where 4 is 'excellent', 3 is 'good', 2 is 'satisfactory', 1 is 'poor' and 0 is 'non-compliant or insufficient information has been provided'. Scoring is aided by means of score descriptors, developed for each sub-feature, ensuring the GAA adopts a consistent approach to scoring across clients. Each set of score descriptors outline what the GAA would expect to see to achieve each numerical score. The scores for each sub-feature are then aggregated to the feature level based on the GAAs view of the relative value of the sub-feature to the policyholders.

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

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

Value for Money assessment framework for Group SIPPs

This section comments on how we have applied our Value for Money assessment framework in the case of the Firm's advised group Self-Invested Personal Pension Plans ('SIPPs').

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

The FCA requires the GAA to assess whether:

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

Under the rules of a SIPP, the policyholder directs the investment strategy, and is usually guided by their FCA authorised IFA. The SIPP provider does not have a role in designing or managing investment strategies nor in setting their aims and objectives. 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 those offered by the Firm, do not have default arrangements in operation because each member is choosing their own investments. This removes the first two areas of assessment in the bullet points above.

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

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

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

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

In addition, there is a section to set out the GAA's views on the adequacy and quality of the Firm's policies on ESG financial considerations, non-financial considerations, and stewardship to the extent these apply to the Firm. Largely, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders.

An assessment has also been made of the quality of communication and quality of the administration service including the processing of core financial transactions, SIPP provider-controlled costs and charges and the disclosure of cost and charges relative to a suitable comparator group of product providers. We have not included an assessment of net investment return as this does not apply to a SIPP provider. Comments on the outcome of these assessments is included in the sections for the relevant features. We have also considered whether 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

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

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

What are we looking for?

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

If there is a limited range of investment options open to policyholders, 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.

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

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

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

There are default investment arrangements in place for four of the Non-advised Corporate

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

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

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

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

The Firm's strengths

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

Most of the Corporate SIPPs invest with discretionary fund managers.

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

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

Improvements since last year

Historically, fund factsheets were not provided for the underlying investment options for the Non-advised Corporate SIPPs, but the Firm has been able to collate a significant number of these for the GAA this year.

The Firm has been continuing to engage with the GAA about the extent of the review of investments that is required on their part.

Areas for improvement

GAA challenge

The GAA noted progress was being made after the year end to investigate and monitor the status of its SIPP policyholders to seek confirmation that non-advised policyholders can be considered 'high net worth' or 'sophisticated'.

However, the review is still ongoing, and the GAA expects to see the Firm conclude its investigation during 2023.

As noted in previous reports, this review 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 the Firm 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 once the review is concluded, the GAA would like to see an improvement in the scope of the investment review carried out and for it to be made more relevant to the nature of the underlying policyholders.

2. Investment performance and risk

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

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

What are we looking for?

For advised policyholders, the GAA acknowledges 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. The GAA focus on the processes the Firm has in place to monitor IFAs on an ongoing basis and look for evidence that the Firm regularly reminds policyholders to review their investment choices with their IFA.

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

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

Where there are any concerns over investment performance, we expect to see evidence of appropriate action being taken, which may include engagement with investment managers and/or implementing changes to fund options. We also expect to see evidence that the strategies are effective and take into account the policyholders' attitudes to risk.

The Firm's approach

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

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

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

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

The Firm's strengths

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

For the Non-advised Corporate SIPPs, a review of investment performance has historically been carried out annually, but to a limited extent and the Firm is of the view that there is nothing that they can achieve with the review other than updating policyholders.

The GAA was pleased to see the Firm continuing to engage with the GAA to further understand the extent of review that is expected and the GAA hope to see the review extended 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.

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

Information has been provided on performance against benchmarks for the year to 31 December 2022 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 the Firm.

Profile	Investment Performance	Benchmark
1. Growth (high risk 100% equity)	8.2%	3.6%
2. Growth (medium risk 80% equity)	7.1%	3.6%
3. Balanced (60% equity)	6.1%	2.7%
4. Balanced (41% equity)	6.0%	2.7%
5. Balanced (27% equity)	4.1%	2.7%
6. Balanced (0% equity)	4.3%	2.7%
7. Income (10% cash)	3.7%	2.2%
8. Income (15% cash)	3.5%	2.2%
9. Income (20% cash)	3.0%	2.2%
10. Income (25% cash)	3.4%	2.2%

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 2022 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. We have not made an assessment for other Non-advised Corporate SIPPs.

Areas for improvement

GAA challenge

The Firm 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, the Firm 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 the underlying fund managers to be incorporated into the GAA review.

3. Communication

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

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

What are we looking for?

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

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

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

Although an advised policyholder would expect to get most of their support from their 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 able to offer a range of different retirement options for policyholders, as well as clear signposting to policyholders on where they can obtain guidance and advice on their retirement options.

The Firm's approach

The Firm provides policyholders with annual benefit statements 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.

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

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

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

The Firm's strengths

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

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

Improvements since last year

Two new calculator tools were launched in the first quarter of 2022 to further assist policyholders (for Annual Allowance and salary sacrifice calculations).

Comparator results

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

This assessment identified that the communication materials provided to the Firm's policyholders over 2022 were average relative to the comparator group.

Areas for improvement

The GAA did not identify any specific areas for improvement.

4. Firm governance

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

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

What are we looking for?

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

The Firm's approach

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

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

The Firm's strengths

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

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

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

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.

As noted earlier in our report, on 6 January 2023, Nucleus Clyde Acquisition Limited announced an agreement to acquire the Firm which is expected to complete during 2023. This GAA annual report only covers a review of the workplace personal pension plans in the period to 31 December 2022 and therefore the above comments and score reflect the position of the workplace personal pensions before the acquisition by Nucleus.

5. Financial security

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

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

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

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

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

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

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

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

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

The Firm's strengths

During the year Curtis Banks Group was traded on the AIM market of the London Stock Exchange. Total regulatory capital was reported to be £15.6m at 31 December 2022 and the Group had an aggregate surplus of £6.9m. Total regulator capital has remained at broadly the same level as the prior year, but the aggregate surplus reduced which is reported to be due to timing differences relating to accrued interest.

The Firm maintain an AKG rating of B (Strong) with the latest report issued in June 2022. This is the third highest rating after A for Superior and B+ for Very Strong. The report also assessed the ratings for business performance which scored 5 out of a maximum of 5 stars.

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

Areas for improvement

GAA observations

As noted earlier, this GAA annual report only covers a review of the workplace personal pension plans in the period to 31 December 2022 and therefore the above comments and score reflect the position of the workplace personal pensions before the acquisition by Nucleus.

The GAA expect to review and comment on any changes to the Financial Security provided to policyholders in our next report covering the period to 31 December 2023.

6. Administration and operations

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

What are we looking for?

We expect Firms to have robust administration processes in place with appropriate service standard agreements and regular monitoring and reporting around adherence to those service standards. In particular, we are seeking evidence that core financial transactions are processed promptly and accurately, such as processing contributions, transfers processing and death benefit payments.

We look for evidence of regular internal and external assurance audits on controls and administration processes. In particular, we are looking for a robust risk control framework around the security of IT systems, data protection and cyber-security. We would expect to see evidence that cyber-security is considered as a key risk by the Firm's relevant risk governance committee and that appropriate monitoring, staff training and penetration testing is put in place.

We expect Firms to have a comprehensive business continuity plan and evidence of its effectiveness through appropriate testing or in maintaining continuity of business during the COVID-19 pandemic.

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

The target timescales for administration processes in SLAs are generally short (five working days or less). Automated processing is limited due to the nature and requirements of the various policies.

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

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

The Firm's strengths

Core financial transactions were generally processed promptly, but there were quite a few instances where SLAs were missed. Overall, during the year, 100% of single contributions, transfers in and retirements were processed within the SLA, 80% of transfers out were processed within the 5-day SLA and 67% of benefits were disinvested within the SLA. However, SLAs were missed for setting up new SIPPs with only 40% set up within the SLA. There is a low volume of transactions within this book of business other than processing disinvestments.

Four complaints were received during the year for the Corporate SIPPs. The complaints were not upheld by the Firm although two of these were not completed within the Firm's SLA.

Improvements since last year

The GAA saw some improvement in the SLAs during 2022 following the remedial measures taken from the previous year although some SLAs were still missed.

The number of complaints across the Corporate SIPPs was significantly lower than the previous year although many of the previous year's complaints related to one adviser due to account values being incorrectly stated.

Comparator results

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

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

Areas for improvement

GAA challenge

The GAA expects the Firm to continue to monitor SLAs during 2023 operating under its new guidance notes and hopes to see improvements in areas where SLAs were not met whilst maintaining high response rates in other areas.

7. Engagement and innovation

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

What are we looking for?

We expect to see evidence that the product is reviewed 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.

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 are able to access website analytics, but do not presently have the ability to split these by client/adviser, or gain feedback on the site from users.

The Firm's strengths

The Firm's product review process and procedures were updated in H2 2021, and the Firm was on track to complete assessments required by the FCA Consumer Duty timetable.

Product & Service (Outcome 1) and Price & Value (Outcome 2) assessments will be available from the end of April 2023.

Products open to new business will have Product & Services and Price & Value Assessments completed by the end of April 2023, closed products by the end of April 2024.

Transformation Programme and Consumer Duty Project in place to improve processes, customer experience and comply with FCA's Consumer Duty rules.

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.

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

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

Areas for improvement

GAA observations

Although feedback is invited from policyholders, the GAA would like the Firm proactively seek feedback and engage with policyholders.

8. Cost and charge levels

Advised Corporate SIPPs value score:	Low	Moderately Low	Moderately High (selected)	High

Non-advised Corporate SIPPs value score:	Low	Moderately Low	Moderately High	High (selected)

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; and
- 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 Firms policyholders can be found in Appendix A.

The Firm's approach

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

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

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

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

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

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

The Firm's strengths

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

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

The following table shows the impact of the Firm charges on the Advised and Non-advised Corporate SIPPs 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%	6%	43%
0.25-0.35%	88%	14%
0.35-0.45%	1%	9%
>0.45%	6%	34%

However, for those with higher charges, they can be significantly higher due to the impact of fixed monetary charges on small accounts. This distorts the average account charge resulting in a lower rating than would otherwise be the case. For example, the average charge for policyholders in the bottom group (charges >0.45%) is 2.7% for the Advised Corporate SIPP policyholders and 3.1% for the Non-advised Corporate SIPP policyholders for policyholders with pots larger than £300.

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

The GAA has not been provided with transaction costs for all of the Corporate SIPPs although we understand from the Firm 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 the Firm is obtaining costs and charges including transaction costs in DC workplace methodology and passing these on to policyholders, as required by the FCA.

Comparator results

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

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2022 were above average relative to the comparator group for both the Advised Corporate SIPPs and the Non-advised Corporate SIPP.

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 the Firm make improvements to the charges that are applied to small accounts 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, and stewardship. The GAA will consider how these are taken into account in the Firm's investment strategy or investment decision making. We will also form a view on the adequacy and quality of the Firm's policy in relation to stewardship.

These considerations do not apply to a SIPP provider where the Firm is not making any investment decisions on behalf of its policyholders as is the case for the Advised Corporate SIPPs.

However, for the Non-advised Corporate SIPPs, where the Firm is considered to be responsible for investment decisions, we expect the Firm's policy in relation to these considerations:

(a) sufficiently characterises the relevant risks or opportunities;

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

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

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

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

Whilst this formal requirement falls outside the overall Value for Money assessment, the GAA's Value for Money framework does take into account, where relevant, when scoring the area of Product Strategy Design and Investment Objectives, 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

As the SIPPs allow investments effectively in the whole of market, ESG is not considered for the SIPPs investments as the Firm do not limit investment opportunities based on ESG principles. The Firm do not have a specific ESG product/ investment option.

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

ESG policy is monitored in a number of ways:

- Carbon emissions are reported in the Firm's full year results;

- The Firm obtain periodic responses from deposit takers as to their ESG policy and where client accounts are invested. However, these responses do not provide material detail due to the nature of the arrangement;
- The Firm have a separate Corporate Social Responsibility team to support local charities, fundraise and to highlight worthy causes.

The Firm is also aligned to the United Nations Sustainable Development Goals, the 17 UN goals can be viewed here: https://sdgs.un.org

The Firm's strengths

The Firm has a commitment to ESG centrally 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

Noting that ESG is an area which is evolving, the GAA challenge the Firm to consider how ESG principles might be embedded into the scope of the investment review.

Appendix A: Cost and charge disclosures

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

The Firm provided these for the prior year only in respect of the default arrangements and the GAA raised a formal concern in respect of this.

The Firm applied to the FCA for a waiver in respect of this requirement and has received a waiver for COBS 19.5.7R(9) and 19.5.13R(3) that mean it is not required to meet the disclosure requirements for any fund that a policyholder could invest in, but only provide disclosures in respect of each fund the policyholder is currently invested in and for any default arrangements.

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

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

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

Appendix B: Comparison report

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

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

How the comparators were selected

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

- Type of product i.e. 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 2022 for this Non-advised Corporate SIPP (where this was available) 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. 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 2022 were average relative to the comparator group.

Comparison of Administration Services

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

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

Comparison of costs and charges

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

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

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

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2022 were above average relative to the comparator group for both the Advised Corporate SIPPs and the Non-advised Corporate SIPP.

Appendix C: GAA activity and regulatory matters

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

GAA engagement and actions this year

We prepared and issued a request for data on all the relevant workplace pension policies in early 2023.

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

Members of the GAA had a 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.

Members of the GAA had a meeting with representatives of the Firm to discuss the GAA's provisional scoring of Value for Money of the 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 the majority of the information that we requested, including evidence in the form of minutes and other documentation to support areas of discussion at the site visit. 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 the Firm is deemed to be responsible for reviewing these.

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

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

The GAA documents all formal meetings with 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	14/02/23
Kick off meeting	16/02/23
Site visit	11/04/23
GAA panel review meeting	19/05/23 16/06/23

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

During the year the GAA raised a formal concern with the Firm in relation to the publication of costs and charges. The Firm has subsequently received a waiver from the FCA for part of COBS 19.5.

The arrangements put in place for policyholders' representation

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

- The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via the website.
- The Firm will receive and filter all policyholder communications, to ensure that this channel is not being used for individual complaints and queries rather than more general representations which may be applicable to more than one policyholder or group of policyholders. Where the Firm 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. The Firm will include details of this contact e-mail address on www.curtisbanks.co.uk/about

Appendix D: ZEDRA GAA credentials

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

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

These requirements were then extended to Firms providing investment pathways in respect of pathway investors from 1 February 2021.

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

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

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

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

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

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

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

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.

Relevant Scheme

A personal pension scheme or stakeholder pension scheme for which direct payment arrangements are, or have been, in place, and under which contributions have been paid for two or more employees of the same employer.

Transaction costs

A combination of explicit and implicit costs included within the price at which a transaction (i.e. buying or selling an asset) takes place.

Appendix F: Data table as at 31 December 2022

	Curtis Banks Corporate SIPPs		
	Advised Corporate SIPPs	Non-advised Corporate SIPPs	Total
Number of schemes	12	10	16
Total number of policyholders	640	282	922
Total value of assets (market value)	£14.4m	£13.8m	£28.1m

Notes:

The Firm's 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 Pointon York, before the Firm acquired the business of Pointon York.

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

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

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

d. *Three of the employers are in insolvency covering 162 policyholders (159 policyholders relating to one of these employers). Three of these policyholders are confirmed to be advised and the remainder are assumed to be non-advised.*

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