Fair Value Assessment

Workplace Pensions

Product name: Retirement Solutions Group Personal Pension, Retirement Solutions Group Stakeholder Pension and Retirement Solutions Company Pension
Assessment Date: May 2025

Summary of Fair Value Assessment

I am very pleased to share our Fair Value Assessment for our workplace pension offerings for 2025. I reconfirm my view that the Workplace Pensions products and services provided by Royal London continue to represent fair value and are designed to deliver good outcomes for customers.

At Royal London, we continuously strive to enhance the experience we provide to our customers and improve the outcomes that they achieve. Last year we made enhancements across a number of our focus areas, including:

- **Encouraging customers to take positive action:** We launched a new digital automated welcome journey aimed at engaging and driving positive customer actions early on. We also started to roll out video benefit statements to workplace pension schemes and made a series of enhancements to the customer experience on our mobile app.
- **Enhancing services to help build customers' financial resilience:** We continued to build-out our Financial Wellbeing Service to help build customers' financial resilience. For example, the new Pension Contribution tool highlights the benefits of contributing to a pension, while the Later Life guidance service supports customers understand the action they need to take as they get older.
- **Making it easy for customers to take action:** We enhanced our Transfer Hub to allow customers to consolidate multiple pension pots through a single application. We also simplified our 'Direct Offer' transfer process to make it easier for customers to bring their previous scheme's pension savings over into their Royal London scheme.
- **Providing value for money solutions:** We provide value for money solutions with competitive charging structures where charges are in effect offset by ProfitShare distributions. The Governed Portfolios continue to benefit from active management and perform well despite turbulent market conditions. Customer complaints remain low and customer service levels have recovered to a strong position from the high demand experienced last year ahead of the Budget 2024.

This year we will continue make multiple enhancements to the customer experience we offer. We are scaling up our webinar programme. We are rolling out a series of new digital communication journeys. We are further innovating with the digital guidance we provide customers planning for their retirement. We are enriching the toolkit and relationship management support we offer employers. And so much more.

We are committed to enhancing our support for customers experiencing any type of vulnerability. Our focus is on building our capability to better capture and address customer needs. Additionally, we are advancing our efforts in testing and measuring the outcomes for vulnerable customers to ensure we deliver the best possible support.

As a champion of impartial financial advice, we aim to support advisers by providing products and services that help them provide efficient and high-quality advice. We believe our Fair Value Assessment demonstrates this.

Rory Marsh
Customer Life Stage Director

Target Market Statement: Retirement Solutions Group Personal Pension and Retirement Solutions Group Stakeholder Pension

Product description

- The products are insured personal pension plans that allow employees to:
  - Save for their retirement tax-efficiently, and
  - Consolidate their existing pension savings under their employer's workplace pension scheme.
- Employees and their employer can pay regular and single contributions to the plan
- The products offer an extensive range of investment options, including Governed Portfolios, Lifestyle Strategies and funds
- Employees can take their pension savings normally from age 55 (this will increase to age 57 from 2028), in line with the scheme rules
- Employees can take their pension savings in one go or in stages, as a lump sum or annuity
- Employees can transfer internally to a Pension Portfolio (including Income Release), to take their pension savings flexibly through drawdown.

Distribution strategy

- This product is designed to normally be sold through advisers to employers for their employees, on an advised or non-advised basis.

Who the product is designed for

- Employers who want to provide a workplace pension scheme for their employees
- Employees who are eligible for automatic enrolment or have access to their employer's workplace pension scheme
- Employees aged between 16 and 75.

Employees with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience will be present in the target market and supported by this product.

Who the product is not designed for

- Employees who need to access their pension savings before the pension rules allow
- Employees who require open architecture investment solutions
- Employees who are not habitually UK resident.

Target Market Statement: Retirement Solutions Company Pension

Product description

- Retirement Solutions Company Pension is an insured pension plan that allows employees to:
  - Save for their retirement tax-efficiently, and
  - Consolidate their existing pension savings under their employer's occupational pension scheme.
- Employees and employers can pay regular and single contributions to the plan, in line with the scheme rules
- The product offers an extensive range of investment options including Governed Portfolios, Lifestyle Strategies and funds
- Employees can take their pension savings normally from age 55 (this will increase to age 57 from 2028), in line with the scheme rules
- Employees can take their pension savings in one go or in stages, as a lump sum or annuity, in line with the scheme rules.

Distribution strategy

- This product is designed to be sold through advisers to the trustees of the scheme, on an advised or non-advised basis.

Who the product is designed for

- Employers who want to provide an occupational pension scheme for their employees
- Employers wanting to wind up their defined contribution occupational pension scheme
- Employees who are eligible for automatic enrolment or have access to their employer's occupational pension scheme
- Employees aged between 16 and 75.

Employees with vulnerabilities most frequently attributed to physical and/or mental health issues, lower levels of financial understanding and reduced financial resilience will be present in the target market and supported by this product.

Who the product is not designed for

- Employees who need to access their pension savings before the pension rules allow
- Employees who require open architecture investment solutions
- Employees who are not habitually UK resident.

How to use this Fair Value Assessment

The Consumer Duty ('Duty') sets the standard of care that firms should give to customers. Royal London is the manufacturer of this product. We've designed this Fair Value Assessment so Distributors can easily assess the product's fair value against the four Duty outcomes. This information also helps Distributors demonstrate that they're meeting their own Duty obligations.

Products and services outcome

- We've assessed the products and services we offer to our workplace customers. We are satisfied that they support customers to achieve their financial objectives while mitigating foreseeable harm
- We recognise there's a broad range of customers that fit within the target market and, through robust assessment, can evidence that the right customers are using our product
- We've established there are strong levels of support and services to help customers when they start their working lives, all the way through to retirement and later life. All customers can access guidance and a financial wellbeing service
- Our ongoing review of how customers use the products and features show that they're mainly used in line with expected behaviour
- The Balanced Lifestyle Strategy (Drawdown) default investment strategy has been designed carefully to manage a customer's investment risk as they approach retirement. It's used by over 75% of our workplace customers and we continually monitor and review it to make sure it is performing in line with its overall objectives
- Vulnerability continues to be a key focus within the products and services we provide. We are committed to incorporating inclusive design principles during our product and service design, this combined with insight and feedback to guide future changes and enhancements, ensure we can best meet the needs of vulnerable customers. We're also working hard to provide more data to evidence the outcomes for vulnerable customers. This data helps us continuously improve our services and ensure that all customers receive consistently good outcomes

Price and value outcome

- We've assessed our product charges and are confident that they're fair relative to the value of the proposition and services being provided to our workplace customers. Our Independent Governance Committee has also assessed this, as evidenced through its published report
- ProfitShare has been paid to customers for the ninth consecutive year, enhancing the value for money this product delivers
- We've reviewed the flexibility and features of the product and are satisfied they offer what matters to customers through all life-stages. There are a range of options available to customers when they choose to access their money, which come at no additional cost. For customers who move into drawdown, we cap the product charge at the better of their current workplace price or the equivalent drawdown price, therefore supporting good customer outcomes
- The majority of funds, including the default investment strategy, continue to perform in line with benchmarks and long-term forecasts. The ongoing management and governance come at no additional cost to the customer
- We've removed the remaining exit charges from the product, taking away a barrier to customers exiting their plan
- There are a small number of customers incurring a charge which may be seen as high relative to the product features and services available

Consumer understanding outcome

- We've assessed the range of communication channels for customers. Our communications are available in a range of alternative formats to support the needs of customers, including vulnerable customers
- Overall, customers are receiving timely, accurate and accessible communications to support their financial decision making
- We've reviewed key communications from when a new employee joins the scheme to when they leave their employer. The results demonstrate that customers understand the purpose of communications and that most documents are clear and easy to understand, however we're addressing areas for improvement
- We've delivered key information to customers through enhancements to our retirement guidance service and the regularity of communications on certain triggering events, helping them achieve better outcomes
- Pro-active communications to customers, addressing potential concerns created by market conditions, are occurring. This demonstrates our commitment to engaging customers and building their financial resilience
- Uptake and regular usage of the mobile app has increased significantly, while webinar attendance and monthly newsletter engagement is positive

Consumer support outcome

- We've assessed our ability to provide a consistent and high-quality service to our customers and employers. We're confident that our service continues to deliver positive outcomes
- Customer complaint levels are low and within expected targets
- Service levels have now recovered and are being delivered in line with internal targets
- Feedback through our customer and adviser value statements remains positive
- Customers can engage with Royal London in line with their preferences, with a mix of digital, email and telephony being used
- Employers are able to manage, review and run their scheme digitally
- The range of additional support services available to customers, including a digital financial wellbeing service and video benefit statements, helps build engagement and supports informed decision making. These support services have been valuable through the cost-of-living challenge and assist in improving customer outcomes
- We support our vulnerable customers through multiple channels and are continuously enhancing our digital support offerings. The Tell Us Once program will enable data to flow seamlessly through multiple systems and channels, this prevents customers from having to repeatedly disclose their vulnerabilities or communication requirements. Additionally, we are building greater capability to test and measure vulnerable customer outcomes, ensuring they consistently receive the best possible outcomes

Green indicates the outcome has some individual non-material measures outside of acceptable tolerance. There is a low likelihood that this will have a detrimental impact on customer outcomes in the next 12 months.

Amber indicates the outcome has some non-material measures or individual material measures outside of acceptable tolerance. There is a possible likelihood that these will have a detrimental impact on customer outcomes in the next 12 months.

Red indicates the outcome has some material measures outside of acceptable tolerance. There is a probable likelihood that these will have a detrimental impact on customer outcomes in the next 12 months.

Our approach to Fair Value Assessment

We regularly monitor and review our products to make sure they continue to meet the needs of their target market and deliver good customer outcomes. This is an overview of how we've assessed this product against the four Duty outcomes.

Products and services outcome

Products and services are fit for purpose, designed to meet the needs of customers in the target market and are distributed appropriately.

We've checked that:

- The distribution channel and customer base are in line with the product's target market
- Customers use the product in the way it's intended, receive the necessary support and avoid foreseeable harm throughout the lifetime of the product
- Vulnerable customers are identified and protected from key risks.

Price and value outcome

The amount customers pay for a product or service represent fair value for the benefits they receive from it.

We've checked that:

- The total amount paid by customers includes all agreed costs and charges over the lifetime of the product
- Customers receive benefits they can reasonably expect for the total amount paid over the lifetime of the product
- Services included within the product are appropriate for customers in the target market.

Consumer understanding outcome

Customers receive the information they need, at the right time and presented in a way they can understand.

We've checked that:

- Communications have a clear purpose, provide customers with the information they need to achieve their financial objectives, and are easily understood and timely
- Communications are available in alternative formats, including those which support vulnerable customers.

Consumer support outcome

Customers should be able to realise the benefits of the products and services they buy and are supported in pursuing their financial objectives.

We've checked that:

- Customer requests are carried out promptly and accurately
- Powers of Attorney receive the same level of service as customers
- There are different channels of support available, including those which support vulnerable customers.

We also regularly analyse customer complaints to identify the root cause of any issues and act to address each in a timely manner.

Distributors have a responsibility to ensure that fees or charges paid directly to them by customers don't adversely impact the overall value to that customer. Our assessment is only based on commission paid or charges we have been asked to pay to our distribution partners as part of the sale or servicing of our products. We'll periodically review Distributor remuneration and charging structures to understand the overall cost to customers. This will help assess whether our products continue to offer fair value to customers.

Product Development Process

We aim to develop products that deliver good outcomes for customers in the identified target market. Our product development process is designed to ensure we act in good faith, avoid causing foreseeable harm to customers, and enable and support customers to pursue their financial objectives. This process includes, but isn't limited to:

- Identifying the target market - who the product is suitable for and who it's not
- Designing the product to meet the identified needs of the target market over the lifetime of the product, including the needs of customers who may be vulnerable
- Identifying a distribution strategy that aligns with the needs of the target market, including for customers who may be vulnerable
- Establishing costs and charges that are appropriate and represent fair value for customers in terms of the amount paid and the benefits that they can reasonably expect to receive
- Developing customer communications that are clear, easy to understand and timely
- Ensuring customers don't face unreasonable barriers when using the product or progressing their financial objectives.

For further information visit
adviser.royallondon.com

18 61

We're happy to provide your documents in a different format, such as braille, large print or audio, just ask us when you get in touch.