

Assessing your Fidelity Workplace Pension

The Independent
Governance
Committee's
2021 report

Acting in your best interests



Contents

Executive summary	3
The pandemic	5
Value for Money	7
1. Investment strategy	9
2. Costs and charges.....	14
3. Member experience	16
4. Improving inputs for better retirement outcomes.....	21
5. Security	24
Sustainable investing.....	26
How the IGC works	28
Feedback and contacts	30
Members of the IGC and independence criteria	31



Executive summary

Welcome to the 2021 annual report from the Independent Governance Committee (IGC).

It's been a full and busy year for us. There has been progress in many of the areas we raised with Fidelity in our previous reports and our remit has been extended to cover:

- Sustainable investing factors within investment funds and default strategies
- The introduction of Investment Pathways in retirement

We're here to work in the best interests of all members of Fidelity's workplace personal pension schemes, and to assess whether members are receiving value for money from their pension plans. We do this using the criteria set out in our Value for Money framework.

The Value for Money framework

We are working hard on members' behalf to assess in detail the value for money received from Fidelity. We receive presentations and information from Fidelity, member and employer feedback, and independent advice and benchmarking.

When we assess for Value for Money, we use the following criteria:

- The suitability of the pension plan's **investment strategy**, including the Investment Pathways, which were introduced by Fidelity in October 2020
- The **costs and charges** that members pay
- The level and quality of service that members receive – the **customer experience**
- The level and quality of benefits that members receive, compared with the contributions they make (**improving inputs for better outcomes**)
- The **security** of the investments

Following our assessment this year, and after examining each of these criteria, we have concluded that **Fidelity has met our expectations and continues to offer members value for money both when saving for retirement and when using drawdown to access their pensions, including Investment Pathways.**

There are some areas where Fidelity has met or exceeded our expectations:

- Investment Pathways were offered to members ahead of the FCA's* deadline and members now have access to objective-based investment choices when they move into retirement. The ability to take regular drawdown payments is another positive
- The transfer-in process can now be carried out digitally, which makes it faster and means there is a smoother member journey
- Fidelity has strong governance when assessing investment performance
- Costs are simple in structure and Fidelity now includes example charges in pounds and pence, as well as percentages, in communications

There are also some areas where we feel Fidelity has only partly met our expectations. We will be working with Fidelity in the coming year to enhance and improve members' experiences. These areas are:

- The availability and maintenance of a consistent fund range
- Considering investment funds for members to use after they retire, with a link from default strategies for choice alongside Investment Pathways
- A closer focus on a joined-up retirement journey for members, which uses a wider range of communication media and is written in plain English
- Further progress towards digital communications
- A review of member tools and how they are integrated into the member journey, particularly at the point of retirement and when members are managing money in retirement

Finding out more

We have made a short video that explores the results of our value for money assessment. You can [watch it here](#).

Getting in touch with the IGC

We are always delighted to hear from members, and we will use the feedback to inform our conversations and the activities we carry out with Fidelity.

If you would like to get in touch with us, there are a couple of ways you can do this:

By email: FidelityIGCchair@ptluk.com

By post: Fidelity IGC Chair, PTL, Park House, Park Square East, Leeds, LS1 2PW

We look forward to hearing from you.



Kim Nash
Chair, Independent
Governance Committee

June 2021

* The Financial Conduct Authority, which regulates our members' plans



The pandemic

It's almost impossible to talk about 2020 without mentioning the pandemic. From social distancing to lockdowns to furlough to home working, it quite literally changed the world. However, when it comes to pension plans, the effects have not been as significant as many feared.

The markets did fall in the early days of lockdown, but since then they have performed better than expected. We are particularly pleased that Fidelity's FutureWise strategy handled this 'real world' design test by producing the risk control it is meant to, as well as performing as expected during the downs and ups of the last 12 months.

The suspension of property funds was not something we expected to see, but it was perhaps unsurprising in the circumstances. More importantly, it was well managed to ensure members were kept informed and their contributions were quickly redirected to other investment options.

Moving away from the markets, our big concern was that members received the support they needed. It was a real positive that Fidelity's phone lines remained open and operational throughout the period, with email questions answered alongside them. This led to Fidelity's service receiving a high Net Promoter Score (NPS, introduced on page 18) – a sign that members were happy with the support they received.

Fidelity's communications were another strength, with everything from Q&As about COVID and furlough to details about scams, all designed to help members protect themselves.

There was also lots of guidance exploring the benefits of staying focused on the long term during difficult times, which we believe helped members to hold tight and stay invested during the temporary market falls in March and April. In addition, Fidelity produced more targeted support for specific audiences, such as information for people close to retirement and help for employers to develop their own communications.

Our role was to monitor everything that Fidelity was doing and offer suggestions when we identified areas that could need more support. This included monitoring how Fidelity's business continuity plans were working, reviewing service-level agreements (SLAs) and the member experience, and looking at how contributions were handled. 'Pinch points' we identified included prioritising payments to members at retirement and managing death benefit payments (which is always a sensitive topic but was even more challenging during a pandemic).

We also increased our level of oversight during this difficult time, with our governance continuing through virtual meetings and regular calls to monitor performance. These were initially every two weeks and the time periods between meetings were gradually increased as the markets settled down a little and Fidelity's business continuity plans successfully maintained service to members. We also reviewed Fidelity's financial position, ensured that key projects (such as the October launch of Investment Pathways) stayed on track and checked that the requirements relating to Pathways from the FCA were complied with. In particular, we were very pleased that although the FCA extended its deadline, Fidelity delivered Investment Pathways well in advance.

These new investment options are already helping members at and in retirement alongside the newly-launched flexible income drawdown.

In conclusion to this section, we would like to highlight that our assessment of Fidelity over the following pages does not include any leniency for COVID. Our expectations are that an organisation such as Fidelity will have an appropriate business continuity plan in place that enables operations to continue during difficult times. It will also have investment strategies that are designed to withstand unprecedented market events. That being said, we hope this section makes clear that we believe Fidelity has risen to this challenge and handled it well.



Value for Money

Who we are

The Independent Governance Committee (or IGC, for short) is responsible for scrutinising Fidelity's Group Personal Pension, Stakeholder and Section 32 plans, to see if they provide members with Value for Money. The document that sets out what we do and how we do it is called a Terms of Reference and ours can be [downloaded here](#).

In doing this, we always act in members' best interests, which means we must act independently from Fidelity. This is why we always have a majority of IGC members who are independent of the pension provider. Of our five members, three are independent (including the Chair) and two are representatives from Fidelity.

This report is our assessment of Value for Money, along with an update on the improvements we have seen throughout 2020 and the areas we'd like Fidelity to work on. After completing this assessment, we formally correspond with Fidelity about any concerns we have or areas where we would like to see improvements to enhance value for money. Fidelity will then formally respond with its plans to resolve these concerns and we track the progress of their projects. We also have a strategy day each year to feed into the priorities we provide to Fidelity, and our Chair and sub-committees regularly interact with senior members of Fidelity, including their Chair of the Board, to raise concerns and provide ongoing feedback.

At the end of 2020, the IGC was looking across 264 Group Personal Pension, Stakeholder and Section 32 arrangements, representing the best interests of 340,000 members with £12.25 billion of retirement savings.

Each pension plan has been established by its sponsoring employer to meet its own requirements. This means there are different contribution levels and often different investment strategies being used, aiming for different types of retirement provision.

For more information about anything covered in this report, to ask us questions or provide feedback, please get in touch using the contact details on page 30.

Value for money

To see if members are receiving Value for Money from their pension plans, we monitor Fidelity's performance in the context of the costs and charges paid by members. This is done against the criteria described in this report. To be considered good value for money, we expect a pension plan to achieve certain standards. These standards are set out in our Value for Money framework, which was created with help from member feedback.

This year, our remit has expanded to include the assessment of Investment Pathways (which aim to ensure anyone using pension drawdown has access to simple, good-value investments broadly matching their retirement goals) and Fidelity's sustainable investing policies. We also need to ensure communications are fit for purpose and take into account the characteristics, needs and objectives of members. This meant revisiting our Value for Money framework to expand it where necessary, so it meets all the new requirements – as well as checking the standards to ensure they are still relevant and stringent enough to make certain members are getting the best from Fidelity. As part of this process, we cross-checked the framework against the Financial Conduct Authority's rules to ensure we could demonstrate that all parts had been addressed.

We then reviewed the features of Fidelity's pension plans against these standards, so we can see where Fidelity is performing well and where it needs to do more. In determining value for money, we assess:

- The suitability of the pension plan's **investment strategy**, including the Investment Pathways, which were introduced by Fidelity in October 2020
- The **costs and charges** that members pay
- The level and quality of service that members receive – the **customer experience**
- The level and quality of benefits that members receive, compared with the contributions they make (**improving inputs for better outcomes**)
- The **security** of the investments

Following our assessment this year, and after examining each of these criteria, we have concluded that **Fidelity has met our expectations and continues to offer members value for money both when saving for retirement and when using drawdown to access their pensions, including Investment Pathways.**

The following pages explain how we have reached our conclusions. When assessing each section, we have looked to provide a view of how Fidelity has done against the expectations we had at the beginning of this review period:

- **Not met** – Where Fidelity has failed to meet our expectations
- **Partly met** – Where Fidelity has met some of our expectations, but we would like to see greater progress
- **Met** – We are happy that Fidelity has achieved the standard we expect
- **Exceeded** – Fidelity has outperformed our expectations

1. Investment strategy

We expect members to have access to a good quality default investment strategy, which is where money will be invested if they do not make an investment choice. This could be the Fidelity standard default called FutureWise or it might be one designed by an employer and their investment adviser. We also want members to have a good range of other funds to choose from.

What we look for:		2021 result
Investment strategy	Standard default that needs no decisions and is designed with the needs of members in mind, which responds to market and regulatory change without disruption to members	Exceeded
	A good return on members' money, where performance of funds is regularly monitored, with firm action taken where needed	Met
	Access to a range of funds, including Investment Pathways, and the aims and objectives of the funds are clearly defined	Met
Sustainable investment	Provider has in place sustainable investing policies	Met
	Members can invest in funds which reflect their beliefs around sustainable investing	Met
	Investment managers have a programme of active corporate engagement which holds companies to account for sustainable investing related policies	Met
Overall conclusion	<p>We believe Fidelity provides access to a wide range of good-quality funds. The performance of its default investment strategy, FutureWise, met expectations before COVID and through the volatility of the pandemic. This showed the robust governance surrounding it, which was also seen in other employer-designed default strategies. We recognise the work that Fidelity has undertaken around sustainable investing and expect further integration of these investments in 2021, which we will monitor carefully.</p> <p>We believe that Fidelity has met our expectations in this area.</p>	

Although we're not responsible for setting the strategy that members invest in, we monitor defaults and wider fund ranges to ensure they are appropriate and perform well against their objectives. This covers employer-designed default investment strategies, FutureWise and all self-select funds. Overall, we believe Fidelity's approach to investment governance of the default investment strategies and self-select range has met our expectations and is aligned to the interests of members.

A good quality default fund

FutureWise

Before we talk about FutureWise, we'd just like to provide a little background. Every pension plan must have a 'default' investment strategy. This is where members' savings are placed if they don't make an investment decision (though, of course, people are welcome to choose it actively as their preferred option). Most of these defaults are what are called 'lifestyle' strategies. This means that the investments a member holds through the default are changed during their working life; generally to reduce risk as they get closer to retirement.

FutureWise exceeds our expectations for a default and is the flagship investment solution offered by Fidelity. It brings together Fidelity's best thinking on investment opportunities, asset allocation and risk management to create an option that we believe every member should seriously consider – even if they are in the habit of choosing their own investments.

We like the way that any changes to FutureWise are made with members' needs in mind – and there is a robust process for managing these changes. A range of retirement outcomes for members (in other words, what people could choose to do with the money in their pension pot when they retire and how big their savings pots need to be) were taken into account when the strategy was established and they are now used when considering any potential FutureWise changes. This includes taking 'replacement ratios' into account, which is a way of looking at retirement income as a percentage of the amount people are earning while they are working.

Last year, we talked about how Fidelity was transferring a number of older 'legacy' defaults into FutureWise to ensure members benefit from the latest thinking and support offered by a fully governed default investment strategy. This aligns with the FCA effectiveness review received at the end of 2019, although it was already in process before the review was carried out, and we're pleased to say this is now complete.

We're also pleased that Fidelity is serious about integrating sustainable investing into FutureWise. The process has started with the Diversified Markets Fund, which is the core fund used within FutureWise at all times. Around 75% of the investments held by the Diversified Markets Fund will soon invest with sustainability in mind using Fidelity's proprietary rating system – and, over time, this figure is set to increase. At the same time, Fidelity is looking at how sustainability can be integrated across the other funds used within FutureWise.

In addition, we are pleased that Fidelity has committed to cutting carbon emissions within FutureWise by half by 2030, and to net zero by 2050 or before. Fidelity has also committed to reducing its own emissions to net zero by 2040 or before.

Our one criticism of Fidelity when it comes to FutureWise is that we would like the company to communicate more with members about this strategy, so they feel confident they are investing in a default that is well designed, well run and well governed.

Employer-designed sections

We believe that when employers design their own default investment strategies, their adviser should provide ongoing oversight to ensure the strategies remain appropriate for members. Fidelity checks each year with employers who have advisers to confirm that they continue to receive advice from them. Non-advised employers in employer-designed sections who were using 'legacy' defaults have been moved into FutureWise, to ensure an acceptable standard of investment governance. This is something we told Fidelity needed to be carried out and it was completed in the third quarter of 2020. We will continue to monitor the governance around this approach.

How FutureWise works

With FutureWise, Fidelity seeks to get the best balance between growing the value of members' accounts and limiting fluctuations in these values at the times most likely to cause direct risk to members. Fidelity, therefore, targets long-term growth when members are a long way from retirement. We think this makes sense, as it's the time when members most need growth potential. They can also benefit from continuing to invest when fund prices are lower and when they have many years to recover from any falls in the value of their holdings.

As retirement gets closer, money is gradually moved into more cautious investments with the aim of protecting the value of the savings. This changeover

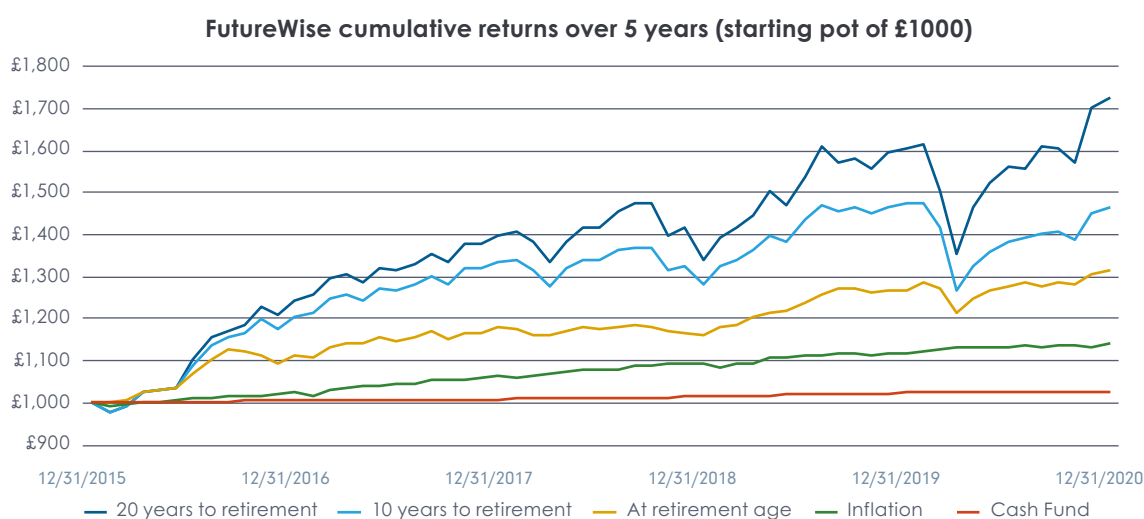
starts to happen 18 years from a member's chosen retirement date, which is why it is important that members keep their retirement age information up to date.

We believe that Fidelity has been successful in achieving a good balance between risk and return for members over the course of their journey to retirement and, by this measure, have also performed satisfactorily against the broader market.

The table and graph show the performance of the FutureWise strategy over the last five years for different age groups. As the strategy was revised in 2018, some of these figures are based on the performance of the underlying funds, which we have highlighted below.

FutureWise default investment strategy – returns before fees to 31 December 2020			
Period	1 Year	3 Years (% per annum)	5 Years (% per annum)
40 years to retirement	7.5%	7.3%*	11.6%*
30 years to retirement	7.5%	7.3%*	11.6%*
20 years to retirement	7.5%	7.3%*	11.6%*
10 years to retirement	-0.5%	3.2%*	7.7%*
At retirement age	3.8%	3.6%	5.5%
Inflation – Retail Price Index (RPI)	1.9%	2.3%	2.7%
Cash Fund	0.2%	0.3%	0.2%

Source: Fidelity International December 2020. *Includes figures based on underlying fund performance of the FutureWise Equity Fund.



Source: Fidelity International December 2020. Performance is before fees. Performance for 20 years to retirement and 10 years to retirement is partially based on the performance of the underlying funds within the FutureWise Equity Fund. The figures do not include the impact of contributions, as these can vary significantly. Members can check a personalised return for their investment online with PlanViewer. Past performance is not a reliable indicator of future results. The value of investments may go up as well as down and investors may get back less than they invest.

Access to a range of funds and the option to choose different funds

As an alternative to the employer's chosen default investment strategy, members are free to choose one or more funds from a selection that Fidelity offers them (a process called 'self-select'). We are comfortable with the governance of this selection, with funds that have underperformed either on watch or removed.

Our main concern is that the selections of funds on offer vary between employers depending on when their scheme was set up. We have told Fidelity we would like to see a consistent fund range for all members, so they have access to the same opportunities – particularly now that sustainable investing is becoming more and more important. Fidelity has started work on this programme and we will keep it under scrutiny. We have also made clear that we expect there to be a governance framework put in place around the programme to ensure this consistent position is maintained for the future.

From a member's perspective, while we believe that FutureWise represents Fidelity's best thinking and is suitable for most members, we want it to be easy for members to choose and change self-select funds when they want. We have confirmed that they can do this online, by post or with a phone call and that it is a straightforward process, though Fidelity can stop members from switching if they do it too often (which may mean they are using their pension to trade assets). Over-active switching can erode members' savings through transaction costs and may lead to a short-term focus unsuitable for pensions. Our management information will soon include information about switches and we plan to review switching more closely by overseeing a series of tests to check exactly how easy it is for members to switch based on a range of scenarios agreed with Fidelity.

We also want it to be easy for members to understand their fund choices and what they cost, so we plan to review investment pages and factsheet content to suggest ways that they can be made clearer. In addition, we will keep a close eye on complaints and the Net Promoter Score (NPS) for the 'at retirement' process, including the recently launched Investment Pathway funds.

Good return on your money

We review performance reports every three months to check the performance of the default strategy and self-select funds against their investment objectives. At the moment, we are looking particularly closely at the Investment Pathways, given their recent launch, and FutureWise, as it is meant to be appropriate for all the options members could choose at retirement. This includes reviewing three-year and five-year FutureWise performance. As part of our quarterly review of self-select funds, Fidelity provides a rationale for keeping funds or removing them. We then look at these recommendations in detail.

Sustainable investing

In addition to the changes to FutureWise mentioned above, the BlackRock ESG Equity Focus Fund was added to the core self-select range in the middle of 2020. Fidelity are also looking to add more sustainable investing-focused funds to plans in the near future. This is a good development and we will work with Fidelity to satisfy ourselves that members have options to invest in funds that may align with their personal beliefs around sustainability issues. We would also like there to be more information on offer about sustainable investing, so members can learn more about what it is, why it matters and how they can make a difference by investing in this way.

There is more about this topic, including our views on it, in the sustainable investing section on page 26.

Investment Pathways

Investment Pathways are an initiative driven by the FCA that aims to ensure anyone with a Pension Drawdown Account has access to simple, good-value investments that broadly match their retirement goals. We were very pleased Fidelity was able to launch Investment Pathways in October 2020 alongside the option that members now have to take regular drawdown income. This was ahead of the FCA's deadline and meant more members were able to benefit from this support.

We have a regulatory obligation to carry out ongoing reviews of Value for Money, which includes checking that Investment Pathways are doing what they are designed to do, are managed in members' interests and have clear aims and objectives. These will focus on their investment outcomes as well as charging levels for members, which will help to inform us as to whether they are meeting their objectives and providing good value for money. This will take into account independent advice on the appropriateness of these strategies.

2. Costs and charges

The costs that members pay will affect their retirement savings over the years, so we want to make certain that all charges are appropriate. This is why we check that Fidelity's charges are in line with the market, are reasonable when compared with similar funds and provide value for money when compared with the other services and benefits Fidelity offers, which we assess throughout this report.

What we look for:		2021 result
Reasonability	Charges in line with the market	Met
	Level of transaction costs	Met
Overall conclusion:	<p>We believe Fidelity's charges are reasonable. This was tested in a 2019 independent benchmarking exercise that showed Fidelity had one of the lowest charges for their default investment option and average or below-average charges for other funds. We are confident this is still the case. There is a simple and clear annual management charge structure in place and there are no exit charges, so members can transfer funds from Fidelity without incurring any penalty if they want to do this.</p> <p>We are also pleased to see that Fidelity has adopted our recommendation to illustrate costs in pounds and pence, as well as percentages, to aid member understanding.</p> <p>We are pleased with the new transaction cost reporting that is produced quarterly in a clear format.</p> <p>We believe that Fidelity has met our expectations in this area.</p>	

Charges in line with market

To start with, we would just like to explain the two main types of charges that members pay:

- **Total expense ratio (TER):** This is the main charge made to investors in a fund and is applied to the value of an investment. For example, a TER of 0.20% means a charge of 20p a year for every £100 invested. The total expense ratio includes the annual management charge (AMC), which pays the manager for investing the money, and other expenses, which can vary slightly from year to year.
- **Transaction costs:** These costs are included in the unit price of each investment fund and relate to the costs of trading and managing investments within the fund. We've highlighted a selection of them in the table below.

Included within the total expense ratio (TER)	Transaction costs – Not included in the total expense ratio (TER)
Annual management charge	Broker fees
Legal fees	Commission costs
Trading charges	Stamp duty
	'Slippage' or 'swing pricing'

When we are looking at charges, we want to see if they are reasonable – ideally, below average – as this translates directly into the net returns produced by members' investments. We also focus on whether they are easy to understand, so members know what they are paying for and how much they are paying.

We obtained a full list of fund charges from Fidelity and reviewed them in detail in line with our value for money assessment, which included checking the charges on default arrangements against the Government's 'charge cap'. (This sets out a maximum that can be charged to members in default arrangements used for automatic enrolment each year.)

Fidelity's charges remain reasonable compared with the market. The benchmarking we carried out in 2019 showed that they are lower than the average level overall, with 19 in 20 members paying a TER of between 0.26% and 0.50% for their investments. FutureWise was particularly good value, as it had the second lowest charges of those covered in the research, with an average TER of 0.48%, which includes all charges aside from transaction costs.

We like Fidelity's straightforward annual management charge structure, as it is relatively easy for employers and members to understand, particularly as charges are the same before and after retirement. We also like the information it provides around cost and charges, as this is now much improved. Fidelity has put our recommendation into practice and is quoting charges in both pounds and pence, and percentages.

Level of transaction costs

The introduction of Fidelity's new rating system (Red, Amber, Green – RAG) means we now have an agreed approach to calculating transaction costs and assessing

them against comparable funds. While we do rely on the frequency and quality of transaction costs data provided by underlying managers, this still allows us to understand if the level of transaction costs is justifiable or whether it raises questions about the way an asset manager carries out its business. There has already been good progress with this new framework and we will be monitoring its success over the coming year.

We review transaction costs every three months, looking at them in the context of each fund's strategy and performance, as well as market practice. Where costs appear out of line, we request more context to understand whether there is an underlying issue that may need addressing. This assessment will soon also include the transaction costs that are incurred by a member in the move from FutureWise to Investment Pathways at retirement and how they align.

Fidelity provides us with detailed reporting in this area, with a particular focus on FutureWise.

FutureWise annual transaction costs as at December 2020		
Period	Transaction cost	In £ and pence
40 years to retirement	0.02%	2p per £100 invested
30 years to retirement	0.02%	2p per £100 invested
20 years to retirement	0.02%	2p per £100 invested
10 years to retirement	0.02%	2p per £100 invested
At retirement age	0.01%	1p per £100 invested

Source: Fidelity International December 2020

Finally, the Financial Conduct Authority has introduced new rules for how costs and charges are reported. There needs to be more detail, including illustrations of how the charges compound over the years, and the information must be available on a publicly accessible website. What this means for members is that [we now have a website](#) where it is possible to see the specific charges relating to any plan. Members can simply visit it and select their plan or employer.

3. Member experience

We want members to be happy with their interactions with Fidelity, whether they are by letter, email or telephone. This builds trust, which can encourage members to continue saving with Fidelity – or maybe even increase their rate of savings. After all, higher savings generally mean better retirement outcomes.

What we look for:		2021 result
Communications are fit for purpose	Clear, timely and relevant communications, and accessible through a variety of media	Partly met
Communications properly take into account members' characteristics, needs and objectives	Members have access to relevant information and decision-making support at each stage of their pension journey Targeted communications for specific segments and outcomes	Met
Helping employers support their employees	Engaged employers with easy-to-use schemes can be more focused on pension provision as a benefit.	Met
Feedback and continuous improvement	Feedback leads to improvements in member communications, engagement and service before and after retirement	Partly met
Administration quality, accuracy and timeliness	Ease of administration	Met
	Accurate administration and reporting	Met
Contact points for members and account accessibility	Digital, PlanViewer and guidance at retirement	Met
	Phone support	Met
Overall conclusion	<p>Although the support that Fidelity provides members through its administration and phones has met our expectations this year, more work is needed to ensure members receive communications that are clear, understandable and in plain English. Fidelity is currently working on a number of initiatives which will address the concerns we have raised this year.</p> <p>We believe that Fidelity has partly met our expectations in this area.</p>	

Communications review

We understand just how important communications are to members. For many, these provide the majority of information they receive about pensions and retirement savings.

As such, we welcome some of the recent review work that has been carried out, including on the 'Your Plan Explained' and 'Contributions Explained' booklets and transactional letters. The move to quoting member charges in pounds and pence alongside percentages is something that we have pushed hard to have included and we are pleased to see it now working well. The increased use of videos to support specific topics, particularly those that are more technical, is also a plus, as it recognises that different people take on information in different ways.

Another positive is the set of specific communications for pre-retirement groups, as these are effectively targeted to deliver useful information at the point it is needed for people to start thinking about this key investment decision. We're also pleased by the way that communications are designed to suit members when they are building up their savings and when they are taking benefits, as people's requirements can be very different in these two life stages.

We would particularly like to highlight the process in place around drawdown decisions, as these can have a significant effect on members' income through what could be several decades of retirement. This starts with a letter setting out the decisions a member will need to make, so they can review everything before they commit. There is then a mechanism in place to check the consistency of the decision-making and how members manage their money in retirement. If inconsistency is found, the member is contacted. This protection system is designed to help ensure members understand what they have chosen – and that it is actually the right option for their plans.

On the downside, there are a number of areas where Fidelity has more to do. One of the most important is that we would very much like to see more focus on communications and education for FutureWise, Fidelity's flagship default strategy. We've noted elsewhere in this report that we believe this default investment strategy exceeds our expectations. We would like Fidelity to describe the benefits in a more tangible and positive way, so members can have more confidence in a strategy where the majority are invested. We hope this will encourage members to consider it actively, as well as it being the default for those who don't want to choose their own investments.

Fidelity has started to segment its customer base more effectively and to develop communications strategies that are more relevant to the needs of different member groups. Many members are no longer connected to their original employer and don't make ongoing contributions. These members have different characteristics and objectives to consider when it comes to providing guidance and support. We have pushed hard for this development and it is something of a milestone, though there is still a way to go, and we hope to see further progress by this time next year.

Fidelity is also continuing to roll out Workplace Workout (their member communication programme) to all plans. This is a positive step, as Workplace Workout is designed to help members achieve better financial wellness by engaging more closely with their retirement pot. As well as encouraging members to think about what they need and how to get there, it aims to ensure that their important decisions and administration are up to date (such as contact details, retirement age and the expression of wish form). We will continue to monitor the pace of the roll out.

One important step that is currently in development is a new annual benefits statement that can be delivered digitally. The new statement will be simplified to make it more accessible for members and will show costs in pounds and pence. Fidelity has piloted an additional way to deliver statements to members through personalised videos and we will have more information about a broader roll-out in the next report.

Feedback and continuous improvement

Fidelity uses the Net Promoter Score (NPS) to measure how members and employers view their relationship with Fidelity. It is a globally recognised customer experience indicator that can be used as the basis for continuous improvement. If you'd like to know more about NPS and the principles Fidelity has adopted, please [visit the website of its NPS partner, Medallia](#).

Fidelity's employer NPS in 2020 was +58; an excellent score in the context of financial services provided to businesses, especially during the pandemic. There were also improvements to Fidelity's member experience in 2020, as the PlanViewer NPS for members increased six points to +48 and the Workplace Investing Service Centre NPS increased six points to +61.

Fidelity has been carrying out research into the way it handles more complex customer interactions, with a focus on drawdown. While there are positive elements (particularly on other complex interactions such as transfers), we identified that the 'at retirement' call scripts were too long to be engaging and accessible. Fidelity plans to revise them in line with our request. In addition, we highlighted that as this will be the first time many members actively make a fund decision, the risk labels on funds could be more member friendly.

We're also encouraged by the changes Fidelity is making to collect many more members' email addresses and hope it continues to make progress with this. We've made it clear that we would like Fidelity to use digital channels for significantly more of its communications to reduce the use of paper and having email addresses is a key part of this move. This includes Fidelity's electronic document delivery system, which we describe later in this section.

One of the reasons that we consider this category only 'partly met' is that there are quite a few areas where there is still work to do. We have raised a specific concern to Fidelity about the way its communications are written, as we would like to see them move to using plain English and accessible language consistently. Pensions are a technical area and it's easy for those who work in this field to lose track of the general level of understanding among members. Making communications easier to read will definitely help, as well as setting clear engagement objectives and aligning communications to those objectives. In addition, we would like Fidelity to continue improving the user experience for PlanViewer on the website and app, thereby also reducing the number of printed communications sent.

Fidelity has responded to our concerns by setting out the steps it plans to take. We will provide an update in next year's report.

Administration quality, accuracy and timeliness

While it may not be the most 'exciting' area of a pension scheme, we know that administration is a key part of the member experience. Members need to have confidence that their retirement savings are being looked after properly. For this reason, we have created an Administration Sub-Committee to monitor performance more closely. It will also review the findings from all internal and external audits.

We have found a number of positives this year in terms of administration, plus a few areas where things can be improved. Together, these have led to the rating of 'expectations met'. We are comfortable that core transactions are processed promptly and accurately.

While we did not get the chance to visit Fidelity's Kingswood offices in 2020 due to the pandemic, we are still interacting with the teams remotely and we are happy that their administration processes remain robust. Indeed, the 'real world' test of dealing with home working during lockdown, and beyond, showed the strength of their approach.

There is clearly a robust process flow for contributions and investment switching. We saw good performance for the processes against expected service levels and the majority of contributions are handled by straight-through processing. Our quarterly reviews of complaints showed there were no real trends that might indicate an issue with administration procedures, apart from some concerns about the length of the retirement journey that we have raised with Fidelity. Fidelity clearly takes complaints seriously and works hard to resolve problems, as is shown by a reduction in its average 'time to resolution' for the complaints it handled this year. We also reviewed quarterly breach reports (both internal process and regulatory breaches) and had no concerns about the level that was being experienced.

Another point that we check every three months is performance against service-level agreements (SLAs), such as whether Fidelity is meeting its committed timescales for processing members' benefits. We're pleased to say we have no concerns about Fidelity's performance against these measures in 2020. After the IGC raised some concerns on performance against SLAs in 2018, the recruitment process was made more efficient, which led to more people being hired. In addition, there is a move to automation where possible to address these challenges, though we feel there is still more that can be done in this area.

There was also progress on our previous request for a new external AAF audit and report, which was first made by the IGC a few years ago. Fidelity has confirmed this is now in development and they have a project running to document and assess controls against the framework. This is important because it takes an independent view of Fidelity's controls and how well they are following them. This will be in place by 2022. A separate AAF 01/06 is carried out on IT processes and technology every year and we review it closely.

The tracing programme is also making progress, which is something we have pushed for with Fidelity. It is used when members have moved house and have not provided Fidelity with their new details. An external company will search for the new address and Fidelity will confirm their identity with them before sharing details of their retirement pots. This is an important topic for us as we want to ensure all members receive the benefits they are entitled to, as well as communications that will help them make the most of their retirement pots.

Finally, we would like to highlight our commitment to participating in the IGC Pensions Provider Survey 2021. Fidelity took part in the 2019 benchmarking survey, and addressed all the items that were raised from that survey. The 2021 survey provides a good opportunity to validate the progress that has been achieved and provides evidence of how Fidelity compares with other providers.

Phone support

We are trying not to mention the pandemic too much in this report, as it could easily be referenced throughout the document. However, this is one area where we do want to talk about it. We believe Fidelity did very well in maintaining the level and quality of its helpline support throughout the year even though it had to respond quickly to lockdown and its teams were then working from home. Just as a reminder, this service is open from 8am to 6pm, with an out-of-hours voicemail service and additional online information available 24 hours a day.

The NPS remained high, as we highlight in 'feedback' above. The quality of call answering remained high throughout the year, but we were a little disappointed that later in the year there was an increase in the time members had to wait for their call to be answered and the number of calls where members hung up before the phone was answered. It appears an increase in the size of the phone team lagged behind the increased number of calls received after the introduction of regular drawdown.

Although we weren't able to visit Fidelity's offices this year, we did listen to calls made to the Workplace Investing Service Centre and were impressed with how the operators dealt with calls and resolved queries. The Workplace Investing Service Centre was formed by combining the Pension Service Centre and the Retirement Service Centre, and there has been work on cross-skilling between the two teams to manage knowledge and capacity issues. We are keeping this activity under review to ensure members are not adversely affected while it is going on.

We would also note that the IGC Pension Provider Survey 2019 ranked Fidelity higher than average for satisfaction in terms of phone calls and emails.

Digital and PlanViewer

There were some improvements to Fidelity's online resources, such as the expression of wish form and improved navigation for finding it, and enhancements to the PlanViewer website and app. (For those who aren't familiar with PlanViewer, it is Fidelity's online member portal that provides easy access to a range of information about a member's pension savings.)

We were also pleased to see that Fidelity is currently developing the ability to move much of its transactional letters and member documents to digital distribution. This is something we actively support and we will be monitoring progress in the year ahead. There are also encouraging signs about the next stage of this process, where PlanViewer will feature an online storage area for all digital documents so members can find and review them whenever they want.

Employer support

We believe that one of the most effective ways to support members is to support their employers. After all, helping one employer to fully appreciate their pension scheme can potentially lead to better information and support for hundreds or thousands of members.

Fidelity receives employer feedback through the NPS survey which is shared with us. This showed that there were no concerns about employer administration. In addition, the independent IGC members speak to a number of employers every year to receive feedback directly. We also review Fidelity's internal measurements, which check to see if there are any issues shared across its clients or individual problems that need to be resolved. This year there were no significant findings we need to share.

4. Improving inputs for better retirement outcomes

The money that a member receives from their pension pot in retirement will reflect their contributions and the decisions they make. We expect Fidelity to provide members with the tools they need to plan and manage their retirement savings effectively. It must also have systems and processes that are not just robust, but easy to use and follow.

What we look for:

Education	Relevant tools and information are available to help set and achieve personal retirement goals	Met
	Tax relief on contributions	Met
Engaged with contributions	Members understand the importance of paying contributions and the benefits of employer contributions	Met
	Easy to change the amount paid in	Partly met
Systems	Easy to transfer old pensions into the current pension pot	Met
	Flexible options for how to take pension income	Met
Overall conclusion	<p>Fidelity has made improvements to the wider education materials available to members, including information on tax relief, the annual and lifetime allowances and retirement planning. Although there are tools and information looking at the importance of contributions for achieving a good member outcome, there are still some barriers to members changing their contributions on PlanViewer. We want to see Fidelity improving the processes around sharing information on contribution changes with employers and then work with employers to allow members to make changes directly with Fidelity.</p> <p>Now that Fidelity offers flexible income drawdown in retirement, including Investment Pathways, the guidance available for non-advised members is even more critical. Fidelity is developing planning tools and procedures to support members during this time and we would like to see this continue in future.</p> <p>We believe that Fidelity has met our expectations.</p>	

Education

It is possible for someone to build up their savings in a retirement pot for years without ever making a decision. This starts with auto-enrolment. The standard level of contributions are then automatically paid into a default investment strategy that is designed to be appropriate for as many people as possible. In many cases, this will be Fidelity's FutureWise default, which we believe 'exceeds expectations' and is a sound option for retirement savers.

However, we want members to do more than this. We want them to get involved with their pensions, as we believe this is how they can make the most of the opportunity. Education plays a key role, so our Communications Sub-Committee has reviewed all of Fidelity's tools and web content, including signposting for Pension Wise and Fidelity's Retirement Service. They have also analysed management information about all the campaigns Fidelity carries out to check their effectiveness. We have asked Fidelity to start providing information about how the new sustainable investing capabilities link to members' everyday lives to further involve members with their pension saving.

This area has seen significant improvements over the year, including a new communication that explains how tax relief works and what the benefits are. This ties in well with other communications that emphasise the importance of contributions by linking them to the size of a pension pot at retirement. Fidelity's Retirement Savings Guidelines are another positive, particularly as they are supported by Workplace Workout.

There are also tools and content that help members estimate their retirement spending needs and make projections about their potential pension income. We like that these issues are clearly explained using a range of different media channels, as this recognises that different people take on information most effectively in different ways. We are also encouraged by the breadth of website content and the way that it links to external sites for further help and guidance, including financial advice.

That said, we have highlighted that we believe the tools need to be developed further to allow members to make comprehensive retirement plans. In particular, the tools should help members set savings targets and work out what they might require in retirement. There needs to be a clearer link to the state pension and the ability to add details of other retirement savings to develop a full picture.

Engaged with contributions

As we noted above, Fidelity has done a lot of work to help members understand the importance of contributions. One campaign in this area is the 'Power of Small Amounts' that shows how even small increases can add up to a significant sum when given enough time. We would like to see Fidelity tie this campaign to employer contribution matching to help more members appreciate the opportunity that it offers. There are also tools and calculators that cover a broader range of financial wellness topics such as budgeting and planning.

However, we also recognise the role that employers play in driving engagement and participation. Fidelity has stated it will help employers do this and we have asked them to make sure employers are aware of this support. We have also asked for data to help us understand how many members are paying more into their plans than the minimum they are required to contribute.

The big challenge, and the one area we consider only partly met, is what comes next. Once employees have understood the reasons to contribute more, and decided to take action, we would like it to be easy for them to increase their contributions. In many cases, it isn't. While it is possible for members to change their contribution levels online, this functionality must be allowed by employers – and many choose not to permit it. There is also the option for one-off payments to be made by payroll, but this also requires the employer to agree.

We have challenged Fidelity to make improvements in this area and look forward to hearing their plans.

Systems

There has been a lot of good news about systems, with the introduction of regular income drawdown and improvements to the transfer-in process.

Talking about regular income drawdown first; it became available within the pension plans in October 2020. Members approaching retirement age receive specific communications telling them what it is and how it works. We have reviewed the full retirement journey, including Investment Pathways, and we are happy that all the 'retirement flexibilities' now in place are clear to members. The Workplace Investing Service Centre is also there to help members who need support with drawdown and paid-for advice can be provided if needed.

Moving to transfers-in, we feel it is a very positive step that this process has now moved entirely online and is fully automated. This has been well received and we will continue to track member feedback (including any complaints) around the process and timeline. It's worth noting that the combination of online application and straight-through processing has significantly shortened the time a transfer takes to complete and Fidelity now ranks in the top ten fastest providers for transfer time in an industry benchmark. We were walked through the entire transfer process (both in and out) and have no concerns about it. This includes being satisfied that there are no barriers to exit or exit charges. Our one concern is around telling members about these transfer improvements. Communications need to be joined up to make a smoother member journey.

We also feel that Fidelity's digital experience should be more joined up, particularly with its online tools, which could benefit from greater personalisation, such as a pull-through of known figures. In addition, there are areas, such as sections where members enter income from other sources, which are not currently user-friendly – and times where the use of percentages could be replaced by pounds and pence figures to make tools more accessible. We have told Fidelity we want them to treat this as an urgent matter, given that they lag behind their competitors in this area.

5. Security

We review the controls and safeguards that Fidelity has in place to monitor the security of members' investments and manage any operational risk. As a reputable and financially strong pension provider, Fidelity must also demonstrate how it keeps personal information secure.

What we look for:

Benefit security	Controls and safeguards	Met
	Liquidity	Met
Data security	Data security	Met
Reputation	A reputable, financially strong pension provider	Met
Overall conclusion	<p>We believe Fidelity is a financially strong provider that is investing in its business, so it can continue to be around to support members through their retirement journeys. There are controls and safeguards in place to protect members' assets and data, which are continually assessed, with improvements made where needed. This is especially important for cyber security as threats continue to evolve.</p> <p>We believe Fidelity has met our expectations.</p>	

Benefit security

While there can't be guarantees when it comes to security, we do want to make sure that Fidelity is taking all the necessary steps to protect members' investments. To do this, we carry out an extensive series of reviews looking at many different elements of asset security.

This starts with controls and safeguards. We review Fidelity's own internal governance structures for how they monitor investment performance and administration performance.

Audits are an important part of this process, so we receive regular management information on administration that includes the results from internal audits, alongside details about quality of service delivered to members and platform developments. As we reported last year, we had challenged Fidelity to conduct an external audit of its administration processes. Fidelity have agreed to carry this out and work is underway, with the first report due in early 2022. We receive regular reports from Fidelity on this programme and it is progressing to plan.

Another important point to consider is the 'liquidity' of members' assets – or to put in less technical language, how easy it is for the investments to be bought and sold. This is important, because we want members to be able to make changes to their investments when they want to and access their money at retirement without a delay. A liquidity issue that many members experienced in 2020 was the temporary suspension of a number of property funds during the early days of the pandemic.

We then consider what happens when things do go wrong. Mistakes can never be totally avoided, so it's important that they are fixed quickly and accurately. We reviewed the procedure for dealing with errors and are pleased that when a mistake leads to a member losing money, they are always put back into the position they would have been in if it hadn't happened.

As part of this process, we review complaints and breaches regularly, including an analysis to see if there are any underlying causes behind different complaints. In the coming months, we intend to look very carefully for any trends that appear within retirement support and the Investment Pathways. Fidelity has also [documented the security of assets](#) within all member investments, given the legal structures involved, which shows how members are protected if something happened to Fidelity or the company managing the money.

Data security

Cyber threats are a constant challenge for companies and Fidelity is no exception. We have reviewed external assessments of their cyber capabilities and the work of their in-house team who deal with cyber threats. In addition, we now receive quarterly reports on perceived threats, Fidelity's responses, any internal events and resolution, cyber strategy and checks undertaken.

Fidelity's work in this field meets our expectations this year, so members' personal information is well guarded, but this is a rapidly developing field and Fidelity will need to remain vigilant in 2021.

Reputation

We try to assess Fidelity's reputation from a range of angles, so we can see the full picture. It's a good sign that the company continues to win new business and we're also pleased that the general market view is positive. Feedback provided by employers tells us that they feel Fidelity has a strong brand, but we do have slight concerns that they also highlighted the brand may be less strong for members.

One area that we would like Fidelity to look at is how it improves members' knowledge of FutureWise and their confidence in this strategy, which performed well throughout the pandemic to protect members' investments.

In checking the risks to Fidelity's reputation, we carry out due diligence on administration processes, including annual visits to Fidelity's offices to review this in more detail (though these were carried out virtually this year). We also review Fidelity's processes for corporate risk control, resource management and key risk mitigation to ensure they are appropriately managed.

One development that we were particularly pleased to see is the additional investment that Fidelity has made into its workplace investing business. The market is changing rapidly and we feel that there must be continual investment in this proposition for Fidelity to keep pace with market developments.



Sustainable investing

Sustainable investing is an increasingly important topic for pension schemes and something that IGCs are required to monitor closely. When we do this, we look at three key areas: the approach to integrating ESG (environmental, social and governance) factors, stewardship (which relates to shareholder engagement with companies) and non-financial matters, such as members' ethical preferences and the implementation of the policies. These three areas are then reviewed against five criteria.

Adequately characterises the relevant risks and opportunities

We are pleased that Fidelity's policies acknowledge the importance of these issues, with the sustainable investing policy identifying the opportunities and risks to a sufficient level given the current state of the market. We expect this to become more precise in time, as Fidelity is committed to developing its ESG policies and processes.

The shareholder engagement policy makes clear that in all cases Fidelity invests in funds rather than owning the underlying investments directly. The policy then sets out how good stewardship is achieved. It also explains how Fidelity monitors the voting policy of fund managers.

Allowance is also made for non-financial issues and these are taken into account in the fund range that is offered.

Appropriately mitigates risks and takes advantages of opportunities

The sustainable investing policy explains how Fidelity integrates sustainable investing into the way it manages its investment solutions to mitigate risk and benefit from opportunities, as well as how it engages with managers to achieve the same goals.

It's still early days for the shareholder engagement policy, so we expect it to gather momentum in the coming years, but it does set out how Fidelity seeks to mitigate risks associated with unsustainable company practices.

Non-financial matters are not part of fund design, as the policy focuses on risk-return objectives, but the aim is to provide members with choice.

Properly takes into account the risks and opportunities

ESG policies are being integrated into Fidelity's investment process to take account of the risks and opportunities and this is also an integral part of the stewardship policies.

Appropriate for the time period the investment is expected to be held for

We see the ESG and stewardship policies as a natural fit with members' long-term investment goals, as sustainable investing is considered to be something that will truly show its worth over the long term.

In the coming years, our review of sustainable investing policies will be embedded in our Value for Money framework and will be part of our ongoing continuous monitoring.

<https://retirement.fidelity.co.uk/employers-consultants/about-us/commitment-sustainable-investing/>

Appropriate for the main characteristics of members

We are happy that the sustainable investing policy is appropriate for the current market and members' needs, though we would still like more detail about how the diverse needs of members can be taken into account given the breadth of the policies. These requirements may change in the coming years, as people have more put aside in defined contribution pension schemes and we expect the policies to reflect these changes.

From a stewardship perspective, members are likely to have a long-term investment horizon when they are building up their retirement savings and when they are using the money they have put aside for retirement.

Following our review, we are pleased to say we consider the policies to be adequate.

How the IGC works

In last year's report, we noted an improvement in the support we receive from Fidelity. We continue to be satisfied with the support this year, with Fidelity meeting the costs of our independently appointed advisers and participating in the IGC benchmarking study.

FCA effectiveness review

We reviewed feedback from the FCA effectiveness review and their approach to assessing Value for Money – and are pleased to say that many of the comments from the review, which covered 2016 to 2018, had already been addressed by the revised structure of the 2020 IGC Report.

However, there was an issue around considering members with different needs and requirements. The FCA highlighted members with small pots. We have now looked into it and are happy that it is not a problem, thanks to Fidelity's approach of using a percentage annual management charge no matter how little is invested. This should not erode pots in the way that a flat fee would do.

The challenge of employer-designed defaults, which was also highlighted, has been addressed by the move to FutureWise for unadvised legacy plans and the requirement for employers to take annual advice if they wish to keep the bespoke option. This is something we have pushed Fidelity to do, so we're very pleased that the issue has now been resolved.

We also have regular meetings chaired by Kim Nash with senior members of Fidelity, including its Board. These cover a range of topics, including our priorities for improvement, which are set out each year. We then monitor Fidelity's progress against them.

Changes to governance approach

With the changes to the IGC Board in 2020, it was a good opportunity to revisit our governance approach. We now use three sub-committees to handle oversight of key areas, so we have more time in our full Board meetings to consider strategic issues. There is the Communications Sub-Committee led by Dianne Day, Investment Sub-Committee headed by Gerald Wellesley and the Administration Sub-Committee led by Kim Nash. In addition, the recent increase in our remit means we are now in the process of recruiting an additional Board member.

For further support, Isio Group Limited have been appointed to provide independent investment advice. This started with the suitability of Investment Pathways and is now being extended into the range of self-select funds available. We also carried out a full market review and appointed Allen & Overy LLP as our legal advisers in February 2021 to help with the new requirements for IGCs.

Reviewing our effectiveness

We believe it is important to ensure we are working effectively. That's why we take time at the end of each meeting for the members of the IGC to consider how well it went and ask if there are any processes we can put in place to make things work even better. Developments we have introduced recently include:

- A change to the documents received by the IGC, so it's clearer what they contain and if decisions need to be made
- Cross-referencing our Value for Money framework with the FCA's Conduct of Business (COBs) requirements, so we can more easily demonstrate that we have carried out all the necessary checks
- A clear audit trail for the work of our sub-committees and the IGC as a whole, leading to the Value for Money assessment

Every year, we go through a performance assessment process with Fidelity to review our effectiveness. This includes a skills assessment to ensure we have a wide range of complementary skills and experience across the IGC, as well as sufficient expertise and experience to act in members' interests – with training carried out if needed when new requirements are identified. Our assessment this year showed we have a broad mix of skills that are complementary. This, alongside our independence, allows us to act in members' interests. We are working on a succession plan to ensure this is maintained in future years, particularly as Kim has now entered her final term.

During the coming year, we will carry out a Board effectiveness review led by Fidelity's company secretariat team. This will follow the same process that would be used to review a company's Board.



Feedback and contacts

We value the feedback we receive, as it helps us consider the interests of all members by understanding what is going well and where improvements may be needed. Over the last year, the pandemic meant we weren't able to carry out some of our usual approaches for collecting feedback, but there were still three areas we were able to focus on:

- Our sustainable investing survey looked at how members view this important topic and the ways they may want to see it implemented in their retirement savings. The findings from the survey have helped inform developments highlighted in this report.
- Fidelity uses the Net Promoter Score to measure how members and employers view their relationship with Fidelity. There is more information about this on page 18.
- The independent members of the IGC have met directly with employers to hear the feedback that they have received from members.

In addition, we always welcome direct feedback from members and employers. To contact us, just:

- Email: FidelityIGCchair@ptluk.com
- Send a letter to: Fidelity IGC Chair, PTL, Park House, Park Square East, Leeds, LS1 2PW

Members of the IGC and independence criteria

Members of the IGC

Our independent members are appointed for fixed terms of no longer than five years. They are eligible for re-appointment, subject to a maximum duration of ten years (in other words, two terms of service).

We are considering how best to manage succession, particularly as our Chair, Kim Nash, has now entered her second and final term of five years.

Who we are



Kim Nash – Independent
Governance Committee Chair

Kim is a Director at PTL Governance Ltd (PTL), joining them in February 2012. Kim is a qualified actuary and previously worked for Willis Towers Watson as an actuarial benefits consultant. Kim is able to bring her significant DC experience both as a Trustee and a member of a governance committee to lead the IGC to develop the Value for Money framework and make comparisons on Fidelity's performance against the wider industry. Kim was reappointed to the Chair in 2020, for her final five-year term.



Dianne Day –
Independent Member

Dianne is a Client Director at Independent Trustee Services Ltd (ITS). She joined ITS in 2015, specialising in defined contribution (DC) schemes. Dianne holds the PMI Certificate in DC Governance and is a Fellow of the Financial Services Institute of Australasia. She has worked for major investment firms in senior communications and management roles. Dianne applies her extensive DC governance and communications experience to help with the evaluation of Fidelity's member service, communications and engagement programmes. Dianne was appointed in January 2020 for an initial five-year term.



Gerald Wellesley –
Independent Member

Gerald is a Professional Trustee and Client Director of Punter Southall Governance Services Limited. He has over 35 years' experience in the finance industry, 15 years as pension trustee and 3 years in HR management. His current portfolio of trusteeships includes chair, sole trustee and subcommittee positions with DB and DC schemes and DC Master Trusts. He brings strengths in the investment and financial management disciplines, together with more broadly-based trustee skills. He was previously at BNY Mellon where he led the corporate strategy for the UK and European pensions industry. Gerald was appointed in April 2020 for an initial five-year term.



Daniel Smith –
Fidelity Representative

Daniel is Head of UK Full Service – Workplace Investing, leading the overall strategic and corporate management of Fidelity's DC businesses in the UK. He joined Fidelity in 2002 and has more than 25 years' experience in the corporate pensions market. Daniel ensures that the Independent Members of the IGC are provided with all the necessary support and information to undertake their roles effectively. In addition, he ensures that the IGC members have full access to Fidelity resources and are consulted on business strategy and change projects.



James Carter –
Fidelity Representative

James is Head of Pension Products and Policy with 20 years' experience in the workplace pensions market. He is responsible for the product implementation and management of Fidelity's workplace pension products. James also leads Fidelity's engagement with the government, regulators and industry bodies in the development of pension policy, and the business analysis of the impact and opportunities of new pensions regulations. Prior to joining Fidelity, James was a Director in Willis Towers Watson's pension consulting business, having also worked for KPMG and Aon, advising trustees and employers operating large DC pension schemes.

Independence

PTL, ITS and Punter Southall Governance Services are independent of Fidelity and are satisfied that they continue to meet the independence criteria set by the FCA:

- They or their representatives are not directors, managers, partners or employees of Fidelity, or any company within the groups, or paid by them for any role other than as members of the IGC, nor are they members of the share option or performance related pay schemes of Fidelity, nor have they been within the last five years
- They do not have a material business relationship of any description with Fidelity or any company within their group, and have not done so within the last three years (except as trustee of Fidelity's Master Trust)

We record any potential conflicts of interest in a log and consider them in accordance with our conflicts of interest policy.

