



ZEDRA

DO MORE. ACHIEVE MORE.

# Chair's annual report

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## AJ Bell Management Limited Workplace Pensions

- | Year ended 31 December 2024
- | The ZEDRA Governance Advisory Arrangement (GAA)

September  
2025



## Executive summary

**This report on the workplace personal pension plans provided by AJ Bell Investment Management Limited (“the Firm”) through their Group Self Invested Personal Pension Plans (“Group SIPPs”), has been prepared by the Chair of the ZEDRA Governance Advisory Arrangement (“the GAA”) for the Firm and sets out our assessment of the value delivered to policyholders and our view of the adequacy and quality of the Firm’s policies in relation to Environmental, Social and Governance (ESG) risks, non-financial considerations and stewardship.**

This report considers two different groups of policyholders: those who receive independent advice under the ‘Investcentre SIPP’ and those who are not provided with independent financial advice under the ‘AJ Bell SIPP’.

This report covers the accumulation phase workplace pension products only; there is a separate Chair’s Annual Report which covers the Investment Pathways product i.e. the [decumulation](#) phase of the workplace personal pension plans.

As Chair of the GAA, I am pleased to deliver this value assessment. We applied a Framework to assess Value for Money which balances the quality of services and investment performance provided to policyholders against what they pay for those services and investment performance for the period 1st January 2024 to 31st December 2024. Further details are set out on page 7.

- | The Investcentre SIPPs, where all policyholders are advised, are considered under the SIPP framework, where less weighting is placed on investment strategy and performance than other criteria, since the Firm has no role in setting or managing investment strategies.
- | The AJ Bell SIPP is assessed under the full workplace value for money assessment framework since the majority of members are not supported by an Independent Financial Advisor, or classed as a sophisticated investor.

Further background on the activity of the GAA and details of the credentials of the GAA can be found in Appendices C and D respectively. The GAA works under an agreed Terms of Reference, the latest version of which is dated 5th May 2022 and is publicly available (see Appendix D).

### A COLOUR CODED SUMMARY OF THE GAA ASSESSMENT

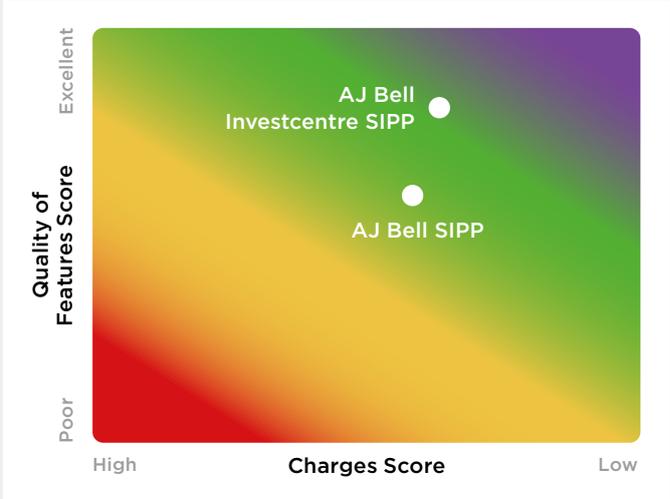
	Weighting toward VfM assessment*	Investcentre SIPPs advised policyholders	Weighting toward VfM assessment*	AJ Bell SIPP non-advised policyholders
1. Product strategy design and investment objectives	7%	●	13%	●
2. Investment performance and risk	7%	●	10%	●
3. Communication	20%	●	17%	●
4. Firm governance	7%	●	7%	●
5. Security of policyholder benefits	7%	●	7%	●
6. Administration and operations	17%	●	10%	●
7. Engagement, innovation and improvements for policyholder experience	3%	●	3%	●
8. Cost and charge levels	33%	●	33%	●
<b>Overall Value for Money assessment</b>	<b>100%</b>	<b>●</b>	<b>100%</b>	<b>●</b>

\* May not add to 100% due to rounding

<p><b>Quality and investment features (1-7)</b></p> <p>● Excellent   ● Good   ● Satisfactory   ● Poor</p>	<p><b>Cost and charge levels (8)</b></p> <p>● Low   ● Moderately Low   ● Moderately High   ● High</p>
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How we determine our Value for Money rating is set out on page 7 of this report. The overall Value for Money is visually represented by the heatmap below.

### VALUE FOR MONEY SCORING



## Our conclusion is that the Investcentre SIPP and the AJ Bell SIPP provide **good value for money.**

Overall, the GAA has challenged the Firm as follows:

- | The GAA expect the AJ Bell SIPP policyholders to be reminded on a regular basis by the Firm to review their investment choices, especially given the fact that the SIPP policyholders, who do not receive independent financial advice and are not sophisticated investors, are invested in funds outside of the Firm's governed range and the 80+ 'Favourite Funds'. This is a challenge restated from previous years.
- | The GAA has challenged the Firm to consider what other steps can be taken to assist non-advised policyholders to ensure they are invested in appropriate funds.
- | The GAA would expect to see further continued progress on the integration of **ESG** financial considerations within investment decision making process where this is an AJ Bell managed fund, appreciating that this is an evolving area.
- | Noting that ESG is an area which is evolving, the GAA challenge AJ Bell to develop its ESG policy and consider how ESG principles might be embedded within the investment selection and management process for the fund range. As a minimum, the Firm should develop its proactive engagement and stewardship approach with asset managers.

In addition, the GAA also made the following observations:

- | Noting the large underperformance of some of the funds listed in the table above, we would expect to see evidence of the Firm engaging with the investment managers to understand the reasons for this underperformance.
- | The GAA notes that where there are policyholders with very small pots, the application of fixed charges for certain areas such as quarterly administration charges and switching could lead to significantly higher fees (when expressed as a percentage of the fund) whilst recognising that some policy holders only have a quarterly administration charge.

The GAA has not raised any formal concerns with the Firm during the year.

We also concluded that the Firm's policies in relation to **Environmental, Social and Governance (ESG)** risks, non-financial considerations and stewardship could be further developed, noting the developments in this area in the wider market.

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

A joint consultation was launched in early 2023 (and closed in October 2024), by the Financial Conduct Authority (FCA), the Department for Work and Pensions (DWP) and the Pensions Regulator (TPR) on the framework for assessing Value for Money. Its proposals are to be included in a new Pensions Act (currently a Pensions Bill). This consultation set out a transformative framework of metrics and standards to assess value for money across all Defined Contribution (DC) pension arrangements including the workplace pensions reviewed by the GAA. The regulators' overarching aim is to improve the value savers get from their DC pension by increasing comparability, transparency, and competition across DC pension schemes, regardless of whether regulated by the FCA or TPR. The consultation does not affect this year's review but will mean a change in the way that Value for Money is assessed in the future.

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

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

## Matt Race-Pridding

Chair of the ZEDRA Governance Advisory Arrangement  
for AJ Bell Management Limited Workplace Pensions

September 2025



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

AJ Bell Management Ltd GAA  
4 Exchange Quay, Salford Quays, Manchester M5 3EE

[www.ajbell.co.uk/group/workplace-pension-scheme-AJBIC](http://www.ajbell.co.uk/group/workplace-pension-scheme-AJBIC)

Alternatively, you can contact the GAA directly at [zgl.gaacontact@zedra.com](mailto:zgl.gaacontact@zedra.com)



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# Overview of the value assessment

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

## Our approach

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

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

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

- | Issuing a comprehensive data request to the Firm, requesting information and evidence across a wide range of quality features, including [net investment performance](#), as well as full information on all costs and charges, including [transaction costs](#).
- | Holding a number of formal meetings with representatives of the Firm to explore the data provided and to question or challenge any areas of concern. All such meetings have been documented by formal minutes and a log is also maintained containing details of any challenges raised, whether informally or through formal escalation.

- | Once the Firm has provided the information and evidence requested, the GAA meets to discuss and agree provisional Value for Money scoring using the Framework and to undertake comparisons of the Firm's product against a suitable comparator group of providers for certain Quality of Service and Investment Features and Cost and Charges.

- | The provisional Value for Money score, including a full breakdown, has then been shared and discussed with the Firm.

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

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

Each Quality of Service and Investment Features have several sub-features. These sub-features are each scored using a numeric scoring system.

Scoring is guided by means of score descriptors for each sub-feature, ensuring the GAA adopts a consistent approach to scoring across clients, each outlining what the GAA would expect to see to achieve the relevant numeric score. The scores for each sub-feature are then aggregated to the feature level based on our view of the relative value of the sub-feature to the policyholders ranging from Poor to Excellent.

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

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

## Value for money assessment framework for Investcentre SIPPs

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

The FCA requires the GAA to assess whether:

- | “default investment strategies are designed and managed taking the needs and interests of [relevant policyholders](#) into account.”
- | “default investment strategies have clear statements of aims and objectives.”
- | “all investment choices available to relevant policyholders, including default options, are regularly reviewed to ensure alignment with the interests of relevant policy holders.”

Under the rules of a SIPP, the policyholder directs the investment strategy, and in the case of the Investcentre SIPPs the policyholder is guided by their FCA authorised IFA. The SIPP provider does not have a role in designing or managing investment strategies nor in setting their aims and objectives. These roles are fulfilled by the FCA authorised IFA, the policyholder or, in some cases, potentially by the employers. Notwithstanding that, in the case of the Investcentre SIPPs, policyholders can also invest in funds that are designed and managed by AJ Bell.

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

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

Most Group SIPPs do not have default funds in operation because each member is choosing their own investments. One of the Investcentre SIPPs

is used for auto-enrolment purposes and has a default fund in operation, but this default has been designed on the advice of the relevant IFA and not the Firm. This removes the first two areas of assessment in the bullet points above.

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

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

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

## **Value for money assessment framework for AJ Bell SIPP**

For the AJ Bell SIPPs, the Firm has confirmed that policyholders are not provided with independent financial advice, nor are all the policyholders deemed sophisticated investors. As such, the GAA assesses the provider’s process of reviewing the characteristics and performance of the investment strategies. The GAA therefore considers it appropriate to assess the value for money for these policyholders under the full workplace value for money assessment framework described above whilst noting that policyholders are responsible for investment decisions

## **Further frameworks points applicable to both Investcentre and AJ Bell SIPP**

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

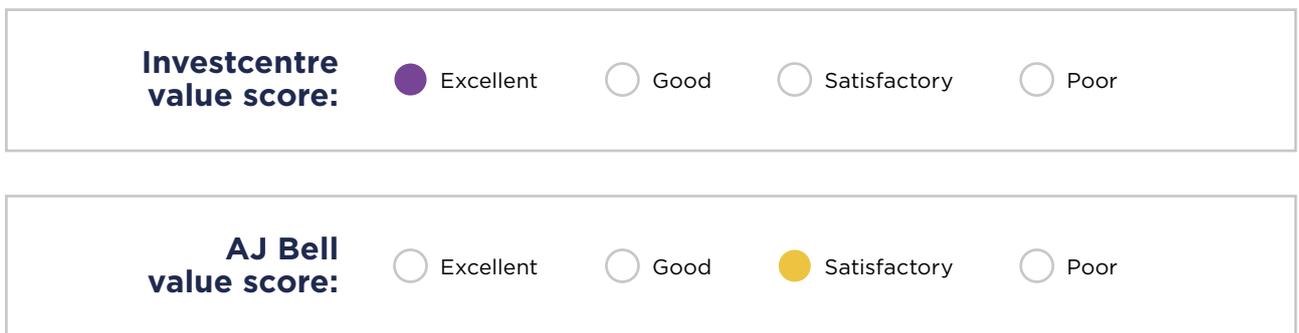
In addition, there is a section to set out the GAA’s views on the adequacy and quality of the Firm’s policies on **ESG** financial considerations, non-financial considerations, and stewardship to the extent these apply to the Firm. Largely, however, these considerations do not apply to a SIPP provider, on the basis that the Firm is not making any investment decisions on behalf of its policyholders. For the AJ Bell SIPP, we have taken into consideration the limited role the Firm has in setting investment strategy when forming these views. Whilst this is a largely qualitative assessment the GAA has considered the Firm’s policies in comparison to others the GAA has knowledge of.

An assessment has also been made of the quality of communication and quality of the administration service including processing of core financial transactions, SIPP provider-controlled costs and charges, and the disclosure of cost and charges relative to a suitable comparator group of product providers. We have included an assessment of net investment return for the AJ Bell SIPP but have not included this in respect of the Investcentre SIPPs as this does not apply to these SIPPs as the policyholders are guided by their FCA authorised IFA.

Comments on the outcome of these assessments is included in the sections for the relevant Features. We have also considered whether an alternative provider would offer better Value for Money so that we can inform the Firm if we believe this to be the case. Details of the comparisons, including how the comparator providers and products were determined is set out in Appendix B



# 1. Product strategy design and investment objectives



## What are we looking for?

For the Investcentre SIPPs, given the limited involvement of the Firm in designing investment strategies, we seek confirmation that all SIPP policyholders can be considered as fully advised or sophisticated investors. Our assessment is therefore focussed on how policyholders are supported when exploring their investment options.

We expect to see that all investment options have clear statements of aims and objectives – in particular that, as well as qualitative objectives, there are quantitative objectives in place, that investment performance outcomes can objectively be measured against. Ideally, we would like to see evidence that non-advised policyholders are reminded to review their investments regularly.

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

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

## The Firm’s approach

The Firm is one of the UK’s largest providers of online investment platforms and stockbroker services.

There are 37 Group SIPPs falling under the remit of workplace pensions; 35 of these relate to policyholders of Investcentre SIPPs, who receive FCA regulated independent financial advice paid for by their employers; one of whom operates a default fund where the design and responsibility for ongoing review falls to the employers and their FCA authorised independent financial advisers, and not the Firm.

Policyholders in the Investcentre SIPPs have access to an extensive fund range of some

3,000 funds and receive advice from their FCA authorised independent financial advisers on an appropriate investment strategy to suit their individual needs and objectives. The fund range includes a number of the Firm's own managed funds to suit varying risk appetites, plus over 80 'Favourite Funds' across the range of different asset sectors which are monitored by the Firm's Investment Committee.

The remaining two arrangements relate to policyholders of the AJ Bell SIPP. These policyholders are not provided with FCA regulated independent financial advice, nor are they all deemed sophisticated investors. These policyholders also have access to the entire range of 3,000 funds as described above. We understand that the AJ Bell SIPP has no defaults.

## The Firm's strengths

All AJ Bell designed investment options have relevant aims/objectives, including where appropriate quantifiable objectives, which are clearly communicated on the fund factsheets/KIIDs. All AJ Bell designed funds also have a risk rating displayed clearly on their factsheets/KIIDs.

The Firm's Investment Committee is responsible for the governance of their own investment fund ranges and also monitors a list of designated 'Favourite Funds'. The Investment Committee

meets on a quarterly basis and has oversight of investment strategy design including asset allocation, as well as performance monitoring.

The Favourite Funds list is reviewed on a regular basis, with updates made across the year in March, April, May, July, August, September and October 2024. Details of the changes made and the rationale for the changes are published on the Firm's website. Where an individual has invested in one of the Favourite Funds and has opted in to "Investment Insights", then they will also be sent an email when a change is made to the Favourite Funds list.

The score for the non-advised AJ Bell SIPP is lower than for advised Investcentre SIPPs because most of the AJ Bell SIPP policyholders choose not to invest in the governed "Favourite Funds" and are, thereby invested in funds not specifically governed by the Firm. In addition, relevant for our assessment of the AJ Bell SIPPs, the GAA saw limited evidence of how **ESG** is incorporated within the Firm's wider investment strategy and in the investment decision-making process, with limited integration by the Firm of ESG matters into their decision making. The GAA has noted that evolving the disclosures and targets for the Group's ESG strategy, including transition to net zero and climate-related targets, is a priority for 2025 and looks forward to seeing the results of this.

## Areas for improvement

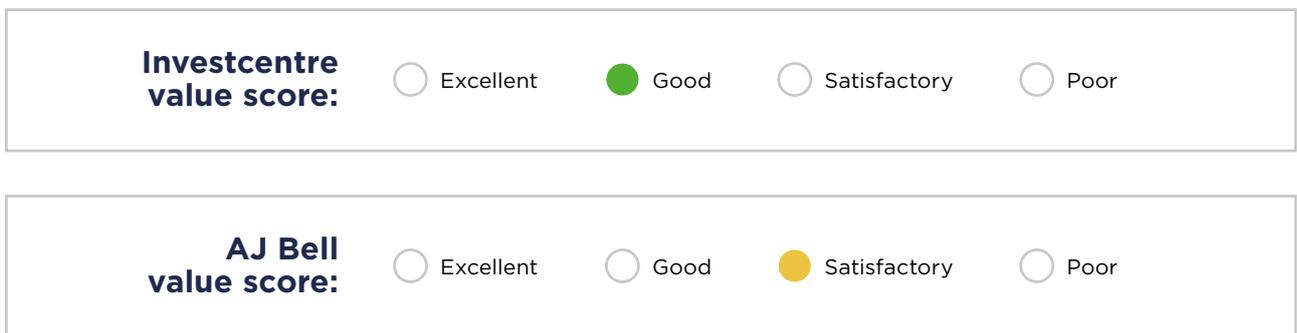
### GAA challenges

Whilst the Firm send out an annual reminder for AJ Bell policyholders to consider whether a SIPP remains appropriate for them, and to seek independent financial advice, the GAA also expect the AJ Bell SIPP policyholders to be reminded on a regular basis by the Firm to review their investment choices. The Firm has been an active participant in the His Majesty's Treasury /FCA Advice Guidance Boundary Review and expect to take more active steps to help policyholders once the output of this is known.

The GAA has challenged the Firm to consider what other steps can be taken to assist non-advised policyholders to ensure they are invested in appropriate funds. The GAA would expect to see further continued progress on the integration of ESG financial considerations within investment decision making process where this is an AJ Bell managed fund, appreciating that this is an evolving area.



## 2. Investment performance and risk



### What are we looking for?

#### Investcentre SIPPs

The Firm has a limited role in that it makes available investment options but does not assess the performance of those funds as this falls within the remit of the policyholder who may be guided by their IFA. We focus on the processes the Firm has in place to monitor that IFAs remain in place on an ongoing basis and look for evidence that the Firm regularly reminds policyholders to review their investment choices with their IFA.

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

#### AJ Bell SIPP

We would expect to see a robust governance framework under which investment performance is monitored on a regular basis. Performance should be measured against investment objectives,

including against a measurable and stated benchmark. Performance should be net of fees. In addition to the stated benchmark comparison risk adjusted returns should also be considered.

Where there are any concerns over investment performance, we expect to see evidence of appropriate action being taken, which may include engagement with investment managers and/or implementing changes to fund options.

### The Firm's approach

The Firm has a comprehensive governance framework in place for regularly monitoring investment performance and risk. Fund factsheets are updated quarterly for new performance (or other) data. All fund information is available online and points toward the most recent data.

The Firm's Investment Committee is responsible for the governance of the Firm's own funds, including oversight of investment performance and risk monitoring. This committee is also responsible for monitoring the performance of the designated range of over 80 'Favourite Funds'. The Investment Committee will remove funds from this listing if they consider appropriate.

## The Firm's strengths

As well as executing full governance responsibilities for the Firm's own fund range, within the wider fund range of 3,000 funds, the Firm has identified over 80 'Favourite Funds' that meet certain criteria which the Investment Committee monitor.

These 'Favourite Funds' are intended to assist advisers to narrow down the extensive fund range to a more manageable number and the Firm has selected at least two funds in each asset sector to be 'Favourite Funds'. The Firm has set various criteria that these 'Favourite Funds' must meet, including investment performance and liquidity requirements.

This means that the non-advised AJ Bell SIPP policyholders have access to a large range of funds spanning a range of different asset classes which the Firm actively monitor, although in practice we

are told very few policyholders choose to invest in these "Favourite funds."

The Investcentre SIPP policyholders can also benefit from these "Favourite Funds", although they have an FCA regulated independent financial adviser to provide advice on the ongoing suitability of their individual fund choices.

## Net Investment Performance

For the AJ Bell SIPP, where policyholders are non-advised and not all sophisticated investors, we have considered the [net investment performance](#) of top 20 funds which equate to c.59% of the total assets (and includes all funds where there are more than 20 policyholders invested).

The net return of these funds for 2024 against benchmark/comparator are set out in the following table:

Fund Name	Return	Benchmark/Comparator
ORBIS OEIC ORBIS OEIC GLOBAL EQTY STANDARD GBP ACC	14.6%	16.3%
VT AJ BELL ADVENTUROUS I ACC	11.1%	8.3%
VT AJ BELL GLOBAL GROWTH I ACC	9.3%	16.3%
VT AJ BELL MODERATELY ADVENTUROUS I ACC	9.0%	7.8%
VT AJ BELL BALANCED I ACC	6.7%	7.8%
FUNDSMITH EQUITY FUND I ACC	9.0%	14.1%
VANGUARD INV LIFESTRATEGY 80% EQTY ACC	13.2%	7.8%
VANGUARD LIFESTRATEGY FDS ICVC VANGUARD LIFESTRAT 100 % EQTY ACC	16.8%	16.3%
ORBIS OEIC ORBIS OEIC GLOBAL BAL STANDARD GBP ACC	15.0%	7.8%
L & G GLOBAL TECHNOLOGY INDEX TRUST	37.7%	17.9%
ORBIS SICAV EMG MKTS EQUITY USD ACC	13.0%	N/A
FIDELITY INDEX WORLD P ACC	21.0%	16.3%
VANGUARD INVESTMENTS FUNDS ICVC VANGUARD FTSE GBL ALL CAP INDEX GBP ACC	18.3%	16.3%
RATHBONE UNIT TRUST MANAGEMENT LTD RATHBONE GLOBAL OPPORTUNITIES I ACC	17.2%	14.1%
VT AJ BELL ICVC VT AJ BELL RESP SCREENED GROWTH I ACC	10.9%	8.3%
HSBC INDEX TRACKER INVESTMENT FUNDS FTSE ALL WORLD INDEX C ACC	19.4%	16.3%
FIDELITY GLOBAL SPECIAL SITUATIONS W ACC	14.1%	16.3%
POLAR CAPITAL FUNDS PLC GLOBAL TECHNOLOGY GBP I	33.7%	17.9%
WS BLUE WHALE INVESTMENT FUNDS ICVC WS BLUE WHALE GROWTH R ACC	27.9%	14.1%
LINDELL TRAIN GLOBAL EQUITY B	13.5%	14.1%

Of the 20 funds that were considered (as shown in the table above), 76% underperformed their benchmark/comparator.

### **Comparator results**

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

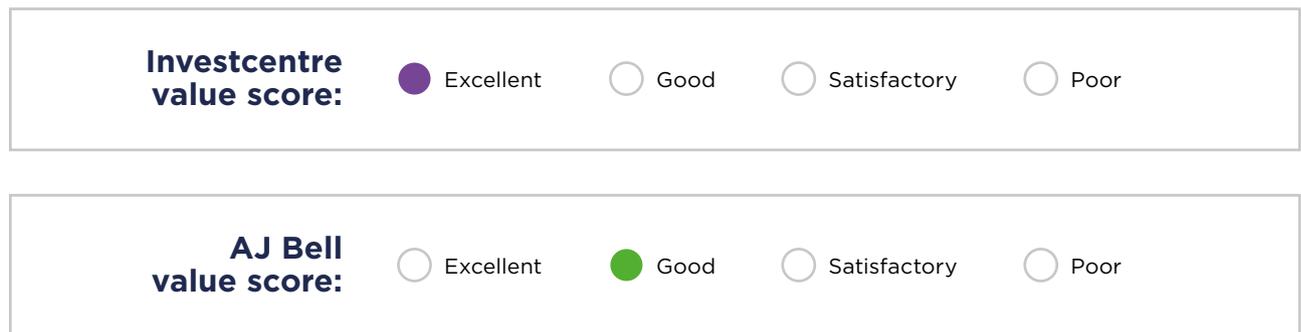
This assessment identified that the one-year net investment performance relative to benchmark for the Firm's policyholders over 2024, weighted by the size of funds invested, was below average, i.e. relative to benchmark.

## **Areas for improvement**

### **GAA observations**

Noting the large underperformance of some of the funds listed in the table above, we would expect to see evidence of the Firm engaging with the investment managers to understand the reasons for this underperformance whilst noting that policyholders or their advisers are responsible for investment decisions.

### 3. Communication



#### What are we looking for?

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

We would expect to see a comprehensive suite of communications including annual benefit statements, pre-retirement wake-up letters and retirement option packs.

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

Although an advised policyholder would expect to get most of their support from their IFA, in a high-quality communication service offering we would expect the Firm to offer substantial additional support. This would include a range of tools and materials such as online calculators to enable personalised calculations although these may be made available via the policyholder’s IFA rather than to the policyholder directly. We would expect telephone support to be available, with good evidence of telephone scripts, call monitoring

and staff training. Additionally, we would expect policyholders to be able to switch investment options online and to have support available to help them make appropriate decisions. In particular, we would expect there to be appropriate risk warnings built into the process.

We would expect the provider to be able to offer a range of different retirement options for policyholders, as well as clear signposting to policyholders on where they can obtain guidance and advice on their retirement options.

#### The Firm’s approach

The Firm has a suite of routine communications it provides to the Investcentre and AJ Bell SIPP policyholders, including annual benefit statements, quarterly valuations, costs and charges statements and retirement wake-up letters with accompanying risk warnings.

Communications are predominantly made via the online portal. However, in addition, policyholders can communicate with the Firm by telephone, secure messaging, webchat or e-mail.

Investcentre SIPP policyholders have access to independent financial advice to support them with their retirement options.

AJ Bell SIPP policyholders also have access to significant additional support, including online website tools, dedicated web pages for 'saving for retirement' and 'options at retirement' which include case studies, educational videos, and access to guides to help them understand their retirement options.

AJ Bell SIPP policyholders are also signposted to Pension Wise and the Money Advice Service.

## The Firm's strengths

The GAA has been provided with a range of sample communications to review. Communications are clear and free of jargon, whilst also not being over simplified, and tailored risk warnings are provided. The GAA has seen an annual reminder to policyholders to review whether a SIPP is still appropriate for them and recommending they take financial advice. However, the GAA would like to see explicit reference to looking at whether the funds they are invested in remain appropriate, which is particularly relevant for the non-advised AJ Bell SIPP policyholders.

Full online functionality is available for switching investment options via the website or mobile apps.

The Firm provides policyholders with access to a wide range of options at retirement, although policyholders need to transfer their funds to an external [annuity](#) provider should they wish to purchase an annuity at retirement.

## Comparator results

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

This assessment identified that the communication materials provided to the Firm's policyholders over 2024 were:

- | Investcentre SIPPs: Above average relative to the comparator group
- | AJ Bell SIPP: In line with the average relative to the comparator group.

## Areas for improvement

### GAA challenges

The GAA understands that AJ Bell SIPP policyholders, who do not receive independent financial advice and are not sophisticated investors, are mainly invested in funds other than the Firm's governed range and the 80+ 'Favourite Funds'. The GAA has challenged the Firm to ensure that there is appropriate wording in policyholder communications regularly reminding these policyholders to review if their fund choice remains appropriate. This challenge is restated from last year.



## 4. Firm governance

<b>Investcentre value score:</b>	<input type="radio"/> Excellent	<input checked="" type="radio"/> Good	<input type="radio"/> Satisfactory	<input type="radio"/> Poor
<b>AJ Bell value score:</b>	<input type="radio"/> Excellent	<input checked="" type="radio"/> Good	<input type="radio"/> Satisfactory	<input type="radio"/> Poor

### What are we looking for?

We would expect to see a comprehensive governance structure in place where, for example, Terms of Reference are provided for key committees, reviewed on a regular basis, with clearly defined scope. We would expect to see evidence of the key committees operating during the year with minutes or meeting packs demonstrating that the key scope elements of the committee remit have been adequately covered.

There should be a transparent and documented process for appointing and monitoring service providers, including a clear process for monitoring whether all policyholders either continue to have an independent financial adviser in place or remain classified as a “sophisticated investor”, with evidence of regular reviews being undertaken and changes being made as required.

### The Firm’s approach

The Firm has put in place a governance framework for appointing and monitoring internal and external service providers.

The Firm has put in place a due diligence procedure for adding new funds to its platform and the Investment Committee has ongoing responsibility for the governance of the Firm’s own funds, as well as for monitoring some 80+ ‘Favourite Funds’.

All aspects of administration are provided in-house. The Operational Management Committee and Executive Management Board receive regular reporting to monitor the administration service, with the administration function falling under the direct remit of the COO since September 2021.

The Firm has appointed various external third parties to provide IT services, and there is a framework for monitoring these providers including a formal annual review meeting with the Board.

In recent reports we have flagged changes at Board level, however we note that there have been no material changes over this year out of line with typical turnover.

## **The Firm's strengths**

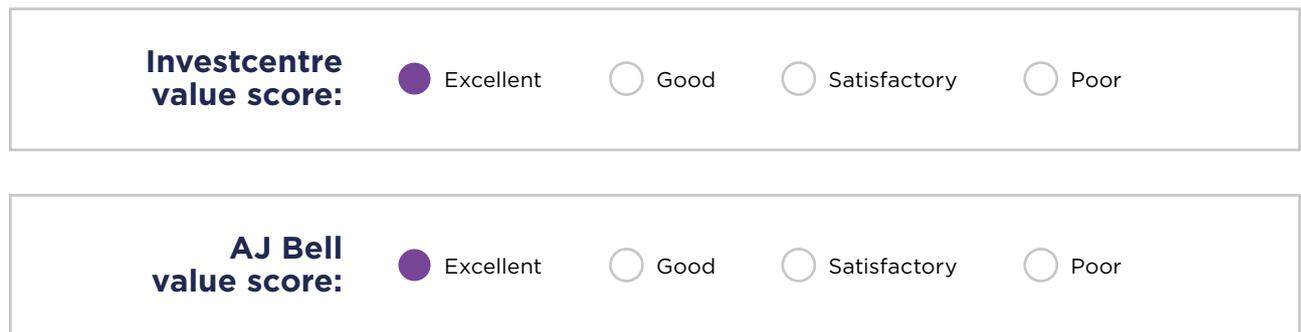
The Firm has demonstrated that it has a comprehensive governance framework in place to appoint and monitor internal and external service providers.

## **Areas for improvement**

The GAA did not identify any specific areas for improvement.



## 5. Financial security



### What are we looking for?

We expect to see that the Firm is in a sound financial position with sufficient capital backing to enable it to continue to operate for the foreseeable future.

We also look for information about how the assets are protected, for example in the event of fraud or bankruptcy, at both the Firm and investment manager level. For example, this could relate to FSCS or other regulatory protections, ringfencing or the structure of the underlying product.

We are looking for evidence that the Firm has processes in place for protecting policyholder assets against fraud and scams and for Firms to be actively monitoring for possible scamming activity.

### The Firm's approach

The Firm was established over 25 years ago and has grown to be one of the UK's largest investment platforms.

Both the Investcentre SIPPs and AJ Bell SIPP are written under a master trust and policyholders' assets are segregated from the Firm's own assets.

The Firm has procedures and safeguards in place for protecting policyholders from frauds and scams. There is a further layer of protection for the Investcentre SIPP policyholders since the approval of the policyholder's FCA regulated independent financial adviser is required before any transfer of funds can proceed.

### The Firm's strengths

The Firm has significant resources backing the business and the accounts for the year ended 30 September 2024 showed a year of strong growth. The Group's balance sheet remained strong throughout 2024, with no significant borrowings, and regulatory capital held remaining high at 206%.

The Firm provided good evidence of monitoring for fraud and scams with the Firm's Fraud Policy reviewed in March 2025, and the Vulnerable Customer policy updated in April 2024.

Information is provided to policyholders across the website highlighting the risk of pension scams with links to the FCA ScamSmart website.

A dedicated Financial Crime team investigate any behaviours which are deemed unexpected,

and all operational staff are trained to identify signs of fraud. Fraud awareness & vulnerable customer training takes place at least once a year. Confirmation was also provided that the Firm's employees have training on phishing and scams which is undertaken annually.

## **Areas for improvement**

The GAA did not identify any specific areas for improvement.

## 6. Administration and operations



### What are we looking for?

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

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

We expect Firms to have a comprehensive business continuity plan and evidence of its effectiveness through appropriate testing.

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

### The Firm's approach

The Firm's administration function is carried out in house and is directly overseen by the COO.

The Operational Management Committee receive regular reporting of performance against a comprehensive range of service level standards. The Executive Management Board receives monthly exceptions reporting on any complaints, breaches or service level issues. Risk indicators are monitored at quarterly Risk Committee meetings.

The Firm has a comprehensive risk framework, incorporating data protection and cyber security.

### The Firm's strengths

The Firm was able to evidence a good adherence to administration Service Standards throughout the year.

Completion of core financial transactions scored highly throughout the year at 98.4% of tasks across the year rated as 'green', meaning that the percentage of tasks processed in line with the Service Standards met their required objectives.

Evidence was provided to the GAA in the form of detailed RAG rated performance information, broken down on a monthly basis, as well as in aggregate over the year. However, the information

was in aggregate for the policyholders relating to this report and wider AJ Bell SIPP portfolios and it would be preferable to receive information for these policyholders separately.

The Firm has comprehensive Business Continuity plans in place, which are reviewed at least annually, and business continuity was maintained throughout the year.

The Firm has provided evidence of a comprehensive Incident Management Framework in place setting out the plans for responding to incidents such as business interruption, physical security, information security, IT incidents, environmental incidents, and third party/supplier issues. We understand that this framework is reviewed annually.

The Firm has a designated disaster recovery site with a leading specialist provider, and key personnel from across the business have been selected to form the core business recovery team if needed. Regular disaster recovery training, testing and simulated events are carried out with the team to ensure the plan remains robust.

During normal operations, AJ Bell runs its systems from two primary production data centres, each with its own backup site. Over recent years, the Firm has implemented a series of enhancements that now allow them to move over to either backup data centre independently, or even operate both concurrently as active production sites during a standard trading week. This capability was successfully demonstrated in June 2024, when the Firm ran both backup data centres in production mode for an entire week.

Continuous resilience testing is in place with an approved annual plan covering a broad variety of severe but plausible scenarios. The plan also

includes crisis communication testing and IT Disaster Recovery testing. AJ Bell conduct a “lessons learned” exercise following all tests and track actions which seeks to improve their ability to effectively detect, respond, adapt, repair and recover from future disruptions.

The Firm’s internal auditors reviewed cyber security procedures twice in the last 18 months, and a minimum of 40 independent penetration testing days a year are used to assess the Firm’s cyber resilience.

The Firm has a good process for handling complaints and have shared their internal reporting which is reviewed by Senior Management on a monthly basis. Policyholders can submit complaints by writing in, emailing or by telephone. There were two complaints from the Investcentre and AJ Bell SIPP policyholders in 2024.

## Comparator results

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

This assessment identified that the administration services provided to the Firm’s policyholders over 2024 were:

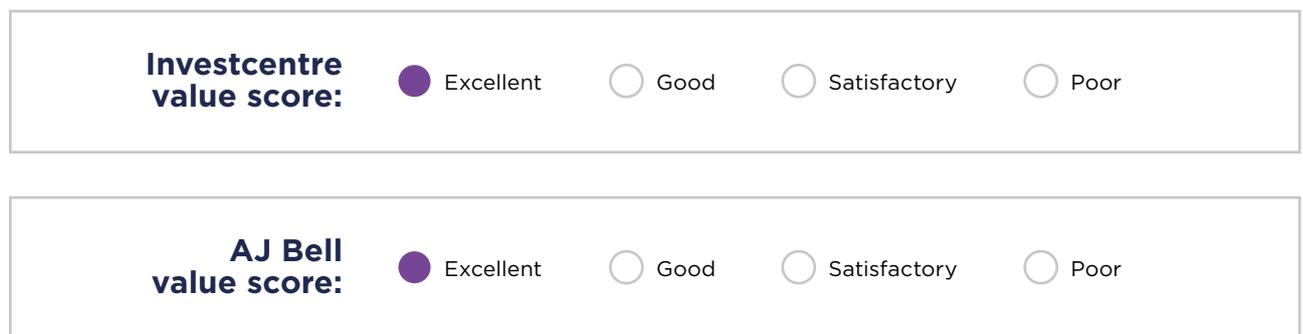
- | Investcentre SIPPs: Above average relative to the comparator group.
- | AJ Bell SIPP: Above average relative to the comparator group.

## Areas for improvement

The GAA did not identify any specific areas for improvement.



## 7. Engagement, innovation and improvements for policyholder experience



### What are we looking for?

We expect to see evidence that the product is reviewed on a regular cycle of not more than every three years, with new product features or service innovations being launched when appropriate and in line with relevant improvements being made to other similar products being offered by the Firm. We expect these changes to have been developed taking into account policyholders’ characteristics, needs and objectives, including direct feedback from policyholders.

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

### The Firm’s approach

The Firm has an in-depth product review process which is carried out every 6 months. This

review considers wide ranging areas that affect customers and their behaviour.

Regular upgrades are applied to internal systems and processes to update functionality, performance and meet any new regulatory measures.

An annual customer survey is carried out, with the latest survey taking place in during 2024. Customer feedback is also gathered by Customer Facing teams and other feedback received via the website.

### The Firm’s strengths

The GAA found the explanation of the review process to be comprehensive.

Across the Firm’s wider book of business (which includes these policyholders), feedback from all policyholders is reviewed monthly with the top 10 requested developments added to the product development list. Feedback is also sought from IFAs in relation to the Investcentre policyholders.

The GAA has received confirmation that all policyholders' feedback is reviewed and addressed, with the Customer Service team contacting the policyholder directly to resolve issues. Feedback is escalated to relevant internal governance committees monthly as standard.

The Firm's last client survey showed that 89% of customers rated their platform as good or excellent in terms of meeting their investment needs, and 90% of customers rated their products and services as good or excellent. The Firm has confirmed that they regularly review feedback from customers via emails, telephone calls, website feedback, user behaviour seen through internal analysis and complaints. This feedback, amongst other things, is considered when looking at development priorities for customers and advisers.

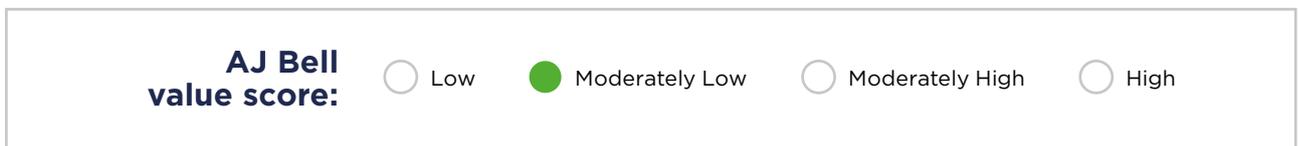
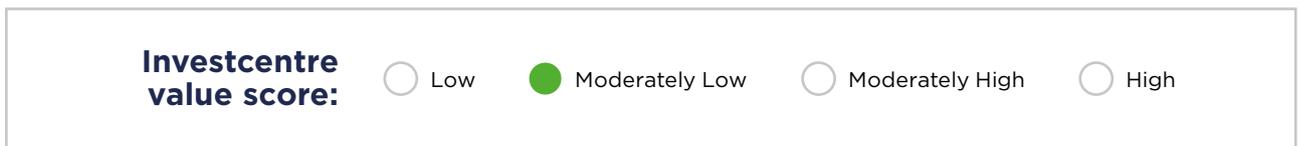
A number of developments were delivered for the benefit of policyholders over 2024, including updates to the mobile app (including transfers to accounts, change password functionality and accessing documents) and to the website (including new dividend information, new online voting service for shares held in account).

## Areas for improvement

### GAA observation

The GAA notes that the annual customer survey is not specifically targeted at Group SIPP policyholders. While the GAA understands that a number of policyholders were captured in the 2024 survey, the Firm should consider how to develop its engagement relating specifically to these policyholders.

## 8. Cost and charge levels



### What are we looking for?

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

- | the annual administration charges being borne by policyholders (or the fund annual management charges, administration charges and [transaction costs](#) being borne by AJ Bell SIPP policyholders);
- | any other charges being paid to the Firm by policyholders to manage and administer their workplace pensions;
- | the process for collecting and monitoring overall member charges, including transaction costs;
- | whether the overall level of charges within the control of the Firm is reasonable, bearing in mind the nature of the services provided by the Firm;
- | the distribution of charges across policyholders.

For the Investcentre SIPPs, where policyholders are advised or sophisticated investors, we do not include charges which policyholders will incur specifically in relation to the underlying investment funds, nor the charges which a

policyholder may incur in relation to obtaining advice since both are outside the control of the Firm.

For the AJ Bell SIPP, we expect fund management charges to be comparable to charges for similar investment products in the wider pensions market after considering the active or passive nature of the investment and the type of assets involved. We take into account where the majority of [relevant policyholder](#) assets are invested.

For the AJ Bell SIPP, we also consider the transactions costs incurred by the underlying investment funds which reduce the investment return experienced by policyholders. In looking at transaction costs we also consider the overall level of volatility in the markets, recognising that in highly volatile markets transaction costs may increase.

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

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

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

## The Firm's approach

The Firm has provided the GAA with access to schedules showing their charging structure for Investcentre SIPPs and the AJ Bell SIPP.

### Investcentre SIPPs

- | For advised auto-enrolment schemes, there is a single all-inclusive administration charge expressed as a percentage of fund value, which is equal to 0.35% per annum. There are no additional initial or ongoing administration charges.
- | For other schemes, a custody charge is applied that varies depending on amount of assets invested but which does not exceed 0.20% pa (and is lower than this if the assets exceed £1m). In addition, there is a fixed ongoing charge each quarter (ranging from £50-£70 per quarter depending on asset size).

The choice of underlying investment is the responsibility of the policyholder on the advice of their FCA regulated independent financial adviser and, as such, is not the responsibility of the Firm and so investment charges have not been considered further by the GAA.

When considered in percentage terms, fees charged by the Firm are generally low, however policyholders with smaller accounts can pay a higher percentage charge by the time to fixed fees are allowed for.

The average total fee payable (expressed as a percentage of funds) is 0.32%. The following table shows the spread of charges across the policyholders:

Total fees payable (expressed as % of funds)	Proportion of policies in each group
<0.25%	3%
0.25-0.35%	84%
0.35-0.45%	7%
>0.45%	7%

The GAA notes that, for those with higher charges, they can be significantly higher due to the impact of fixed monetary charges on small accounts.

### AJ Bell SIPP

A custody charge, expressed as a percentage of fund value, is applied, with a scale varying depending on fund size which wouldn't exceed 0.25% per annum. There are no initial or ongoing administration charges payable in addition to the custody charge.

As these policyholders are neither advised nor sophisticated, the GAA has also considered the underlying fund charges. These members are able to invest across more than 3,000 funds therefore for this purpose the GAA has considered the data that was provided for the top 20 funds, by assets invested across the AJ Bell policyholders. (This accounts for over 60% of total assets.)

The two schemes under AJ Bell are the AJ Bell Staff Scheme and a scheme for Orbis. Inevitably for the policyholders in these schemes there is a bias towards funds managed by their employers. A number of the Orbis funds that were considered have a performance related fee element and there is a mixture of active and passive funds included in the 20 funds considered.

For the passive funds, the average underlying fund charge weighted by assets invested was 0.28% with transaction costs of 0.03%. Overall, incorporating the custody charge described above, this means the average charge was up to 0.56%.

For the active funds, the average underlying fund charge weighted by assets invested was 0.40% with transaction costs of 0.20%. Overall, incorporating the custody charge described above, this means the average charge was up to 0.85%.

## Comparator results

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

This assessment identified that the overall cost and charge level paid by the Firm's policyholders over 2024 were:

- | Investcentre SIPP: In line with average charges relative to the comparator group.
- | AJ Bell SIPP: In line with average charges relative to the comparator group.

## Areas for improvement

### GAA observations

The GAA notes that where there are policyholders with very small pots, it is possible that the application of fixed charges for certain areas such as initial set up, processing transfers-in or out, quarterly administration charges and switching could lead to significantly higher fees (when expressed as a percentage of the fund).





# ESG financial considerations, non-financial matters and stewardship

## What are we looking for?

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

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

However, for the AJ Bell SIPP, where the Firm is considered to be responsible for investment decisions, we expect the Firm's policy in relation to these considerations:

- (a) sufficiently characterises the relevant risks or opportunities;
- (b) seeks to appropriately mitigate those risks and take advantage of those opportunities;
- (c) is appropriate in the context of the expected duration of the investment; and
- (d) is appropriate in the context of the main characteristics of the actual or expected [relevant policyholders](#).

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

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

Whilst this formal requirement falls outside the overall Value for Money assessment, the GAA's Value for Money framework does take into account, where relevant, when scoring the area of Product Strategy Design and Investment Objectives on page 10, how the Firm has integrated ESG financial considerations and non-financial matters in the Firm's investment strategy and investment decision making.

## The Firm's approach

The Firm has provided details of its policies to the GAA explaining its approach to ESG financial considerations, non-financial matters and stewardship.

With the exception of the AJ Bell Responsible Growth Fund, the Firm's products are not managed with an explicit ESG mandate. ESG financial considerations and non-financial matters are not core to the investment selection and management process. However, it is the Firm's policy to adhere to the principles of sound, long-term responsible investment governance and stewardship.

## The Firm's strengths

For policyholders of the Investcentre SIPPs, where responsibility for determining the investment strategy and making investment decisions lies with the policyholders on the advice of their FCA regulated independent financial advisers, the GAA considers the policies to be adequate.

For AJ Bell SIPP policyholders who are neither advised, nor all sophisticated investors, the GAA would challenge the Firm to develop its ESG policy and consider how ESG principles might be embedded within investment selection and management process for the wider fund range. ESG is an area which is evolving and the GAA will continue to monitor developments in this area.

## Areas for improvement

### GAA challenges

Noting that ESG is an area which is evolving, the GAA challenge AJ Bell to develop its ESG policy and consider how ESG principles might be embedded within the investment selection and management process for the fund range. In addition, the Firm should develop its proactive engagement and stewardship approach with asset managers.



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# Appendix A: Administration charge and transaction cost disclosures

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

The Firm has compiled the compounding illustrations, which are provided on a publicly accessible website at [www.ajbell.co.uk/workplace-pension-scheme-AJBIC](http://www.ajbell.co.uk/workplace-pension-scheme-AJBIC)



## Appendix B: Comparison report

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

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

### How the comparators were selected

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

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

Based on these criteria we believe that the comparator products chosen will provide a reasonable comparison for the policyholders of the Investcentre and AJ Bell SIPP. (Note that these two distinct groups of SIPPs each have their own group of comparators.)

### Comparison of Net Investment Performance

This assessment only relates to AJ Bell SIPP policyholders where we have looked at the top 20 funds that policyholders invest in (which equate to c.61% of the total assets and includes all funds where there are more than 20 policyholders invested). It does not relate to the Investcentre SIPP policyholders who are advised, and where the Firm has no responsibility for directing investments.

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

### Comparison of Communication provided to policyholders

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

## Comparison of Administration Services

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

## Comparison of costs and charges

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

- | Annual administration and investment fund charges
- | [Transaction costs](#)
- | Other costs and charges

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



## Appendix C: GAA activity and regulatory matters

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

### GAA engagement and actions this year

We prepared and issued a request for data on all the relevant workplace pension policies in early 2025.

Members of the GAA met with representatives of the Firm to kick off the Value for Money assessment process for the 2024 calendar year and to discuss and agree timescales.

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

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

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

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

The key dates are:

Item	Date
Issue data request	21/01/2025
Kick off meeting	06/02/2025
Site visit	20/03/2025
GAA panel review meeting	01/05/2025 and 14/05/2025
Discuss provisional scoring	08/09/2025

## The arrangements put in place for policyholders' representation

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

- | The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been and will continue to be communicated to policyholders via the online platform.
- | The Firm will receive and filter all policyholder communications, to ensure that this channel is not being used for individual complaints and queries rather than more general representations which may be applicable to more than one policyholder or group of policyholders. Where the Firm determines that a communication from a policyholder is a representation to the GAA, it will be passed on in full and without editing or comment for the GAA to consider.

In addition, the GAA has established a dedicated inbox at [zgl.gaacontact@zedra.com](mailto:zgl.gaacontact@zedra.com) so that policyholders can make representation to the GAA directly. AJ Bell will include details of this contact e-mail address on the online platform.

## Appendix D: ZEDRA GAA credentials

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

- | Act solely in the interests of the [relevant policyholders](#) of those pension plans, and to
- | Assess the “value for money” delivered by the pension plans to those relevant policyholders.

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

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

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

The members of the ZEDRA GAA are appointed by the Board of ZEDRA Governance Ltd. The Board is satisfied that individually and collectively the members of the GAA have sufficient expertise,

experience, and independence to act in the interests of relevant policyholders and [pathway investors](#).

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

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

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

More information on each of ZEDRA’s Client Directors, their experience and qualifications can be found at [www.zedra.com/people/](http://www.zedra.com/people/)

Information on Dean’s experience and qualifications can be found at <http://deanwettonadvisory.com>

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

The terms of reference for the GAA agreed with the Firm can be found at: [www.ajbell.co.uk/group/workplace-pension-scheme-AJBIC](http://www.ajbell.co.uk/group/workplace-pension-scheme-AJBIC)



# Appendix E: Glossary

*Please note that some of the terms referred to in this glossary may not be applicable to your product.*

## Active management

The investment of funds where the skill of the fund manager is used to select particular assets at particular times, with the aim of achieving higher than average growth for the assets in question.

## Annual management charge (AMC)

A deduction made by the pension provider or investment manager from invested assets, normally as a percentage of the assets. The AMC is generally how the pension provider or investment manager is paid for their services.

## Annuity

A series of payments, which may be subject to increases, made at stated intervals, usually for life. If the annuity is “joint life”, it will continue to a spouse (usually at a lower rate) after the death of the original person receiving the payments (“the annuitant”).

## COBS

The Conduct of Business Sourcebook prepared by the Financial Conduct Authority (FCA). In particular when we use COBS in this report we are referring to Chapter 19 of the COBS which sets out the provisions relevant to the Value for Money Assessment of workplace pensions.

## Core financial transactions

The essential processes of putting money into a pension policy or taking it out, namely:

- | Investment of contributions
- | Implementation of re-direction of future contributions to a different fund
- | Investment switches for existing funds, including life-styling processes
- | Settlement of benefits – whether arising from transfer out, death or retirement

## Decumulation

The process of converting pension savings to retirement income.

## Environmental, social and governance (ESG)

These are the three main factors looked at when assessing the sustainability (including the impact of climate change) and ethical impact of a company or business. ESG factors are expected to influence the future financial performance of the company and therefore have an impact on the expected risk and return of the pension fund investment in that company.

## Flexible access

This refers to accessing pension savings in the form of income and/or lump sums. Pension savings that are not being accessed immediately will generally remain invested.

## Life-styling

An automated process of switching investment strategy as a policyholder approaches retirement, in a way that is designed to reduce the risk of a policyholder's retirement income falling.

## Net investment performance

The investment performance of the fund after deducting all asset management charges, administration charges, taxes and fees for managing the fund including any transaction costs.

## Pathway investor

A retail client investing in a Firm's pathway investment offering.

## Pathway investment

A drawdown fund which is either a capped drawdown pension fund or a flexi-access drawdown pension fund.

## Relevant policyholder

A member of a Relevant Scheme who is or has been a worker entitled to have contributions paid by or on behalf of his employer in respect of that Relevant Scheme.

## Relevant Scheme

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

## Transaction costs

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

## With Profits

An insurance contract that participates in the profits of an insurance company. The insurance company aims to distribute part of its profits to with-profits policy holders in the form of bonuses.

## Unit-Linked

A type of investment where the investments of a number of people are pooled together and divided into units of equal value. The value, or price, of each unit depends on the value of the assets of the unit linked fund. The unit price determines the number of units the policyholder receives when they invest money in the fund, and the sum they receive when they sell their units.



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