

# Summary of Independent Governance Committee 2023 Report

Welcome to the 2023 annual report from the Independent Governance Committee (IGC), covering the period January to December 2022. It's our job to work in the best interests of all members of Fidelity's workplace 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 work 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 Value for Money, we look the following factors:

- The costs and charges that members pay
- The performance of the investments available to members
- The quality of service provided to members

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

There were several areas where Fidelity performed well against its peer group:

- Fidelity was among the top providers in terms of online account and app functionality
- Fidelity delivered a wide range of member engagement campaigns
- Past performance for FutureWise over three years to 31 December 2022 had been competitive for those further from retirement
- FutureWise and Investment Pathways have one of the highest levels of sustainability integration
- Fidelity was one of the few providers to offer drawdown in the same product and keep the charges the same

Overall, Fidelity's charging data shows it is competitively priced, with a higher proportion of members in the lower two charge bands than most other participants in the benchmarking survey.

We have a couple of areas of concern we raised with Fidelity in July 2023 and we are expecting their response shortly:

- Retirement is one of Fidelity's lowest scoring journeys on member feedback, with the key issues being the length of time taken during calls and the paper/postal process for receiving and submitting documents. The issues with this journey were also flagged

by the benchmarking survey, which noted other providers have taken some of the more routine parts of the journey digital. We would like to see an improved retirement journey, as it would allow members to focus on important retirement decisions.

- We have seen that most members who are using income drawdown are taking their withdrawals at rates of 5% a year or higher, and investment strategies are varying with pot size. We think the retirement member journey could be better integrated, with comprehensive tools covering a member's total retirement picture, including state and private pensions, and non-pension savings. This would help members make informed retirement decisions.

We also note that FutureWise produced disappointing performance for members closer to retirement, which was worse than some of its peers. However, the changes to FutureWise that started to be introduced during the year are designed to address this situation and we hope there will be better performance going forward.

In addition, we have highlighted two areas to Fidelity that we believe would be worth prioritising, as they could have a positive impact on Value for Money in the years ahead:

- Fidelity needs to ensure basic member communications are simple and use language that members can easily understand. We would like to see an improvement in the ease-of-use score and the structure of communications.
- When the FutureWise transition is complete, we would like to see progress in the implementation of the standard self-select fund range for non-advised employers, including sustainability and decumulation options. We would also expect to see details of its ongoing governance and maintenance.

## 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 receive regular presentations from Fidelity about member views and feedback, which is collected through online and phone surveys, as well as member complaints. However, we also value hearing directly from members to help us understand the specific issues that people face. We then use this feedback to inform our conversations and the activities we carry out with Fidelity.

Over the review period, we received more emails than usual from members and this helped us understand people's concerns. If you would like to get in touch with us, there are a couple of ways you can do this:

By email: [ZGL.FidelityIGCChair@zedra.com](mailto:ZGL.FidelityIGCChair@zedra.com)

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

We look forward to hearing from you.



**Kim Nash**  
Chair, Independent Governance  
Committee

September 2023