Disclosure of costs, charges and investments in DC occupational pensions

October 2017
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Introduction

This consultation seeks views on the policy and proposed regulations for how costs and charge information should be published and made available to members; and for members to request information about the funds in which their money is invested.

About this consultation

Who this consultation is aimed at

We would particularly welcome responses from members of occupational pension schemes, employers, consumer groups, service providers (including third-party administrators), investment managers, independent financial advisers and adviser firms, trustees and managers of schemes, and interested members of the public.

Purpose of the consultation

The purpose of this consultation is to seek views on policy proposals and draft regulations for trustees and managers of certain occupational schemes to publish information about cost and charges and tell members where they can find it. It also asks for views on policy proposals and draft regulations for trustees and managers of the same schemes to provide information, if a member asks, about the funds in which their money is invested.

Scope of consultation

This consultation applies to England, Wales and Scotland.

Duration of the consultation

The consultation period begins on 26 October 2017 and runs until 7 December 2017.

How to respond to this consultation

Please respond online at

https://getinvolved.dwp.gov.uk/pensions/improving-disclosure-of-member-borne-costs-charges

Or send your consultation responses to:

David Farrar
Private Pensions and Arms Length Bodies Directorate
Department for Work and Pensions
1st Floor, Caxton House
Tothill Street
London SW1H 9NA
Email: Pensions.disclosure@dwp.gsi.gov.uk
Government response

We will aim to publish the government response to the consultation on the GOV.UK website. The consultation principles encourage Departments to publish a response within 12 weeks. The report will summarise the responses and include final regulations for parliamentary approval.

How we consult

Consultation principles

This consultation is being conducted in line with the revised Cabinet Office consultation principles published in January 2016. These principles give clear guidance to government departments on conducting consultations.

Feedback on the consultation process

We value your feedback on how well we consult. If you have any comments about the consultation process (as opposed to comments about the issues which are the subject of the consultation), including if you feel that the consultation does not adhere to the values expressed in the consultation principles or that the process could be improved, please address them to:

DWP Consultation Coordinator
1st Floor
Caxton House
Tothill Street
London
SW1H 9NA
Email: caxtonhouse.legislation@dwp.gsi.gov.uk

Freedom of information

The information you send us may need to be passed to colleagues within the Department for Work and Pensions, published in a summary of responses received and referred to in the published consultation report.

All information contained in your response, including personal information, may be subject to publication or disclosure if requested under the Freedom of Information Act 2000. By providing personal information for the purposes of the public consultation exercise, it is understood that you consent to its disclosure and publication. If this is not the case, you should limit any personal information provided, or remove it completely. If you want the information in your response to the consultation to be
kept confidential, you should explain why as part of your response, although we cannot guarantee to do this.

To find out more about the general principles of Freedom of Information and how it is applied within DWP, please contact the Central Freedom of Information Team:
Email: freedom-of-information-request@dwp.gsi.gov.uk

The Central FoI team cannot advise on specific consultation exercises, only on Freedom of Information issues. Read more information about the Freedom of Information Act.
Executive summary

1. The pensions landscape is moving from Defined Benefit to Defined Contribution. Automatic enrolment is expected to see 10 million people newly saving or saving more into a workplace pension scheme by 2018. The Government is committed to building on this success. That is why in 2017 the Government is conducting a review\(^1\) so that automatic enrolment continues to meet the needs of individual savers. The review is looking at the existing coverage of the policy and considering the needs of those not currently benefiting from automatic enrolment. As part of the approach the review is looking at how engagement with individuals can be improved so that savers have a stronger sense of personal ownership and are better enabled to maximise savings.

2. Engaged pension savers need to be able to find information about costs and charges, to satisfy themselves that they receive good value for money from their pension, and it will meet their needs for future retirement. The Government has a legal duty to make regulations\(^2\) which ensure that information on costs and charges information is provided. The Government also considers that members have the right to know where their money is invested, where it is proportionate for trustees and managers to tell them.

3. The Department for Communities and Local Government has supported the Local Government Pension Scheme in their work with the Investment Association to bring cost and charge information to their scheme members. The Financial Conduct Authority have convened an Institutional Disclosure Working Group to establish a standardised template for cost and charge disclosure to institutional investors. The timing is now right to look at how members of DC occupational pension schemes can benefit from renewed vigour the wider industry is giving to this topic.

4. This paper therefore explores how the Government can help savers inform themselves about their pension savings in two areas:
   - transparency and disclosure of the cost and charges they are paying; and
   - where their money is invested.

5. The key objective in requiring disclosure and also publication of charges and transaction costs is to assist the function of a healthy market in an area which is perceived as being opaque. Publication of charge and transaction cost information will enable trustees and others to compare the value for money they are receiving with their peers, thereby driving better market outcomes. By giving wider industry participants and commentators access to the data, this could also assist in the development of benchmarking services.

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6. Our consultation paper includes policy proposals on both of these topics:

   • Chapter 1: Consultation on disclosure of cost and charges information to scheme members
   • Chapter 2: Government response and consultation on investment disclosure.

7. In Chapter 1, the Government is proposing:

   • that the requirement introduced by the proposed Regulations – to publish charge and transaction cost information and disclose this to members, beneficiaries of the scheme and others including recognised trade unions – should apply, subject to a small number of exceptions, to schemes that provide money purchase benefits;
   • that both the Chair’s Statement and published cost and charge information should set out the costs and charges for each default arrangement and each alternative fund option which the member is able to select;
   • not to be prescriptive as to where costs and charges information is published as long as it is published on the internet for public consumption;
   • that trustees and managers should not only publish the cost and charge information, but also provide an illustration of the compounding effect of the costs and charges affecting their pensions savings
   • that trustees and managers of occupational schemes follow statutory guidance to ensure they meet the regulatory requirements;
   • that trustees and managers should, as a minimum, publish costs and charges on a similar annual cycle to the Chair’s Statement, which must be produced alongside the scheme’s annual reports and accounts;
   • that the Chair’s Statement content relating to the default investment strategy and value for members should be published alongside the cost and charge information; and
   • that each member who receives an annual benefit statement must also be provided at the same time with a web address where members can find the costs and charges for their scheme.

8. The proposals in both chapters specifically concern occupational schemes which offer money purchase benefits. Section 137FA of the Financial Services and Markets Act 2000 places similar obligations on the FCA to make rules to require the costs and charges information to be published and flow from an Independent Governance Committee for a workplace personal pension scheme or stakeholder pension scheme to the member. We understand that the FCA intends to consult on corresponding rules to achieve this in 2018.

9. The schemes within the scope of these proposals could in the future be expanded beyond occupational schemes offering money purchase benefits. We will consider this point as we develop proposals for the forthcoming white paper on the security and sustainability of Defined Benefit pension schemes.

10. In Chapter 2 the Government is proposing:
• a duty on trustees and managers to disclose on request to members and recognised trade unions, the top level of funds for which public information is available (strictly, ‘collective investment schemes’), in which members are directly invested;

• that each member who receives an annual benefit statement should also be notified that they can request this information;

• that the disclosure regime should look-through the ‘unit-linked contracts’ often found in pension schemes, to the first layer of underlying funds; and

• that trustees and managers of schemes must disclose the fund holdings over the scheme year, that they must prepare the information within 7 months of scheme year end date and they must respond within 2 months of such a request.

11. For the measures described in Chapters 1 and 2, we propose that the existing penalty regime for failure to comply should extend to the additional requirements imposed by the draft amending Regulations. Further details are set out in the rest of this consultation.

12. It is also anticipated that Northern Ireland will make corresponding regulations for pension schemes located there on both charge and cost publication and disclosure, and for investment disclosure.
Chapter 1: Disclosure of cost and charges information

Background

1. Automatic enrolment continues to bring more people into workplace pension saving in the UK, creating new dynamics in the pensions industry, and new opportunities to engage savers with their money.

2. The Government has undertaken work on ways to improve the information members receive and can access. The main current statutory requirements for occupational schemes are summarised below.

Figure 1: Occupational pension scheme disclosure requirements

<table>
<thead>
<tr>
<th>Information given on joining</th>
<th>How contributions and benefits are calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arrangements in place for AVCs (Additional Voluntary Contributions)</td>
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<tr>
<td></td>
<td>Information which may be needed if problems arise - e.g. about the scheme’s Internal Dispute Resolution Process and the Pensions Ombudsman.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Information given annually</th>
<th>Member contributions in past year</th>
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<tbody>
<tr>
<td></td>
<td>Value of member’s rights</td>
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<tr>
<td></td>
<td>Transfer value if different</td>
</tr>
<tr>
<td></td>
<td>Illustration, subject to stated assumptions, of what the member might get in retirement [the Statutory Money Purchase Illustration].</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Information given on request</th>
<th>Transfer values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Information on the scheme’s constitution, its service providers and policies</td>
</tr>
<tr>
<td></td>
<td>Annual report</td>
</tr>
<tr>
<td></td>
<td>Chair’s statement (which includes information on charges and transaction costs as far as trustees are able)</td>
</tr>
<tr>
<td></td>
<td>Statement of Investment Principles.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information given on requesting access to benefits and in run-up to retirement</th>
<th>Explanation of range and features of annuities - both within scheme and outside it - and that they should consider taking advice.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statements about opportunity to transfer flexible benefits to different providers.</td>
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<tr>
<td></td>
<td>Explanation of range and features of different options, and availability of guidance, including signposting to Pension Wise.</td>
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</tbody>
</table>

3. Firms that sell workplace personal pension schemes need to be regulated by the FCA and are required to provide scheme members with information about costs.
and charges, a Key Features Document (KFD), and a Key Features Illustration (KFI). The KFI needs to include appropriate charges information, information about the effect of charges, Reduction in Yield (RIY) information and information about the retained interest that pension scheme operators or pension scheme trustees may receive. The RIY figures, presented in percentage terms, indicate how charges may impact on the inflation-adjusted rate of return for the pension contributions. For example: if your pension fund had projected a growth of 5%, but charges meant this would reduce to 3.8%, there would be a reduction in yield of 1.2%. RIY calculates the effect of charges, but the projected return is after any transaction costs, so the RIY does not currently include the impact of transaction costs.

4. Occupational pension schemes have traditionally been provided as an employment benefit: not ‘purchased’ by retail investors or via a contract. As such, occupational pension schemes are not required to provide a KFD or a similar document to members upon joining. Trustees and managers of these schemes have a duty to request and report on the level of charges and, so far as they are able to do so, the level of transaction costs borne by scheme members for the default arrangement and the range of such charges and transaction costs for other arrangements via the Chair’s statement. This is available to members upon request. The FCA introduced rules requiring broadly similar disclosure by Independent Governance Committees (IGCs) with regard to workplace personal pension schemes.

5. “Transaction costs” are defined in DWP legislation as the costs and charges incurred as a result of the buying, selling, lending or borrowing of investments. This definition provides a high-level outline of the situations when transaction costs will be incurred. These costs cannot be easily predicted at the beginning of a reporting period as they are dependent on the level and nature of trading undertaken by a scheme, which in turn is influenced by market conditions and the investment decisions taken by the managers of the underlying assets.

6. “Charges” are also defined in DWP legislation and are generally considered to be all costs and charges which are borne by the members other than transaction costs and those incurred as a result of the holding or maintenance of property, as well as a small number of other exemptions, including the costs of complying with court orders, pension sharing costs, winding up costs and costs solely associated with the provision of death benefits. They principally consist of general scheme administration and investment administration.

4 [https://www.handbook.fca.org.uk/handbook/COBS/19/5.html](https://www.handbook.fca.org.uk/handbook/COBS/19/5.html)
7. Section 113 of the Pension Schemes Act 1993 (as amended by section 44 of the Pensions Act 2014) places a duty on the Secretary of State to make regulations requiring:

- the publication of information about some or all of the transaction costs, and some or all of the administration charges in respect of a relevant scheme; and
- information to be given to members or others about some or all of the transaction costs of a relevant scheme.

8. In the context of DWP’s duties in relation to occupational schemes, a “relevant scheme” means an occupational pension scheme\(^7\) under which all the benefits that may be provided are money purchase benefits\(^8\).

9. Section 44 also introduced a similar duty on the FCA to make rules in relation to personal pension schemes by amending the Financial Services and Markets Act 2000 to introduce a new section 137FA. The FCA’s duties relate to personal pensions schemes with direct payment arrangements and stakeholder personal pension schemes.

10. The Government has long recognised that without a matching duty on asset managers to be required to disclosure transaction costs, trustees/IGCs will find it difficult to obtain consistent and standardised information about the transaction costs borne by their schemes and ultimately by the members, or to meet the duties which legislation requires DWP and the FCA to impose on them.

11. In March 2015, therefore the Government and the FCA jointly published the Call for Evidence, ‘Transaction Costs Disclosure: Improving Transparency in Workplace Pensions’\(^9\), which explored:

- whether there should be a legal duty on asset managers to provide cost and charge information;
- what costs should be included in the transaction cost reporting;
- how such costs should be captured and reported;
- whether information about other factors that impact on investment return should also be provided;
- how IGCs and trustees will receive costs information and whether additional disclosure requirements on other parties are necessary to enable this; and
- when, how and in what format members and/or other prescribed persons should receive transaction cost information.

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\(^7\) Defined in section 1 of the Pension Schemes Act 1993


12. Feedback from the Call for Evidence was published in the FCA’s October 2016 consultation paper ‘Transaction cost disclosure in workplace pensions’\textsuperscript{10}, which proposed rules and guidance to improve the disclosure of transaction costs and charges in workplace pensions. It consulted on rules requiring those managing investments to provide information about transaction costs and charges in response to a request from a relevant pension scheme, either a workplace personal pension or a DC occupational pension. This would enable IGCs and trustees to obtain, for the first time, a standardised disclosure of the transaction costs that scheme members incur.

13. The FCA has now made rules\textsuperscript{11} which were published in a Policy Statement\textsuperscript{12} on 20 September 2017.

**What we now intend to do**

14. Now that the FCA has published final rules for disclosure by asset managers to IGCs, and to trustees and managers of DC pension schemes, this consultation seeks views on policy options and proposed Regulations to ensure that, when trustees are making this information available to members of occupational pension schemes, it is presented meaningfully and via channels that meet members’ needs. We expect the FCA to make corresponding rules to achieve a similar outcome for workplace personal pension scheme and stakeholder pension scheme members in due course.

15. We have adopted this approach in response to views expressed in the Call for Evidence. Some respondents were concerned about members being more likely to opt-out of pension saving or switching their investments to lower cost assets which may not be appropriate for achieving their financial goals for retirement, if the information was presented in the wrong way.

16. We believe it is important that the information is accompanied by additional contextual information which offers scheme members the opportunity to understand the reasons for the costs and charges they are paying. This supplementary information should help savers understand when they are comparing like-with-like and when investment approaches are not comparable.


\textsuperscript{12} https://www.fca.org.uk/publication/policy/ps17-20.pdf
Principles for the publication and disclosure of costs and charges

17. The policy proposed seeks to strike a balance between ensuring that scheme members receive timely and meaningful information, which adds value about the costs and charges they bear, whilst avoiding placing unnecessary burdens on pension scheme trustees.

18. It considers the information flow as below.

**Figure 2 – Information Flow in Occupational Pension Schemes**

19. From 3 January 2018 there will be an obligation on asset managers to provide information to trustees. We are now seeking views on the next steps of the flow from trustee to Scheme member.

20. Under the FCA’s rules (from 3 January 2018), trustees and managers of pension schemes may receive data which, if combined with non-investment related costs and passed on verbatim, would exceed a member’s needs.

21. We also consider that any information provided to scheme members should present them with wider contextual information to mitigate the risk of incorrect conclusions being drawn and poor decisions being made as a result. We do not wish to discourage members: we wish for them to have a stronger sense of personal ownership, so they are better enabled and motivated to maximise their savings. We also acknowledge that some trustees will be seeking additional support through their usual advisers and service providers or others, to interpret the information and make maximum use of it. We anticipate that they will also use this support to draft or review any additional appropriate contextualisation in line with Statutory Guidance.

22. Publication of some or all of the transaction costs of a relevant scheme is a requirement of Section 44. We see the publication and disclosure of transaction costs information by schemes as a gateway for further engagement with members who wish to know more.

23. We have stated that our objective is for scheme members to receive timely and meaningful information about their money and the costs/charges that affect it, without placing unnecessary burdens upon the schemes themselves. The illustration below expresses how we weighted the factors when considering options.
24. By accepting that this was the appropriate balance we also accepted that any options would need to be considerate of wider Government policy to remove unnecessary regulation, simplify existing regulation, improve the delivery of new regulation and only regulating when absolutely necessary.

25. The consultation considers the following questions.

**Figure 3 – Competing priorities in cost and charge disclosure**

- Awareness of Regulatory burden
- Increased costs to comply
- Greater sense of personal ownership
  - It’s their money
- More engagement by members

**Figure 4 – Considerations in pension cost and charge disclosure**

- What pension schemes are in scope?
- Who should have access?
- What information should be provided?
- Where should the information be published?
- How often should it be published?
- How should it be presented and contextualised?
- How should the information be given to members?
- What alternative formats should be available and what are the penalties?
What pension schemes are in scope?

26. We propose that the requirement to publish charges and transaction costs information, and to disclose this to members, beneficiaries of the scheme and others including recognised trade unions should apply, subject to a small number of exceptions, to occupational schemes that provide money purchase benefits; even if the scheme does not only provide money purchase benefits. In summary, the proposed Regulations on costs and charges apply to the same schemes to which the existing requirements in the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (SI 1996/1715) to assess charges and transaction costs and to prepare an annual governance statement apply currently.

27. Some schemes are not money purchase schemes but nevertheless have a money purchase section within them and thus offer money purchase benefits to their members (for example, where there is a Defined Benefit section closed to new members and new members accrue money purchase benefits, or where members accrue money purchase benefits until they have completed a qualifying period of service before moving into DB arrangements). The requirements to publish charges and transaction costs information and also disclose this to members, beneficiaries of the scheme and others including recognised trade unions will apply to the DC elements of these occupational schemes.

28. The costs and risks in the provision of non-money purchase benefits such as final salary and career average pension schemes are borne by the scheme sponsor, who is incentivised to monitor and, where appropriate, limit charges and transaction costs. Therefore we do not propose that non-money purchase benefits should be in scope at the current time. We will consider in the future whether to extend the requirements to apply in Defined Benefit pension schemes.

29. We suggest instead that the disclosure requirements should follow those schemes in scope of the requirement to produce a Chair’s statement and apply to: occupational pension schemes which provide money purchase benefits, in respect of those benefits, irrespective of whether the member is in the accumulation or decumulation phase. As with the requirement to produce a Chair’s Statement, we also propose the following exemptions:

- executive pension schemes;¹³
- relevant small schemes;¹⁴
- schemes that do not fall within paragraph 1 of Schedule 1 (description of schemes) to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013;¹⁵

¹³ Executive Pension Scheme means a scheme in relation to which a company is the only employer and the sole trustee; and the members of which are either current or former directors of the company and include at least one third of the current directors

¹⁴ Also known as ‘Small Self-Administered Schemes (SSASs)’, a relevant small scheme is a scheme with fewer than 12 members where all the members are trustees of the scheme or all the members are directors of a company which is the sole trustee of the scheme
• unfunded and funded public service pension schemes\textsuperscript{16}; or
• schemes which provide no money purchase benefits other than benefits which are attributable to additional voluntary contributions.

30. Where benefits which are attributable to the payment of Additional Voluntary Contributions (AVCs) are the only money purchase benefit offered by a scheme, such arrangements tend to have only a very small proportion of the overall funds under management. Members’ money purchase benefits will be in addition to other pension assets where the member bears little or no risk. Therefore additional reporting requirements on this smaller section of the scheme without corresponding requirements in relation to these money purchase benefits appear disproportionate.

31. In the case of Relevant Small Schemes, all the members are trustees, and a requirement on trustees to disclose costs to themselves would be superfluous.

32. In an Executive Pension Scheme, the employer is the trustee and the scheme members, are all current or former directors of the employer. We believe these members will already have a high level of engagement and be in a position to obtain the information from the trustee without a statutory requirement being placed on the employer in their capacity as trustee.

33. Likewise, for single member schemes, where the majority of schemes are set up by and are for the benefit of the member on a similar basis to an executive pension scheme, it is anticipated that they are suitably engaged with the scheme. As such, bringing them within the scope would be disproportionate for the reasons outlined for Relevant Small schemes and Executive Pension Schemes.

Who should have access?

34. Trustee and managers of occupational schemes which offer money purchase benefits, subject to the exceptions above, are already required to make available on request a copy of the Chair’s Statement to the following “relevant persons”:

• members or prospective members of the scheme;
• spouses or civil partners of members and prospective members;
• beneficiaries of the scheme; and
• recognised trade unions.

\textsuperscript{15} This has the effect of principally excluding single member schemes, schemes which are not tax registered, and schemes which only provide death benefits.

\textsuperscript{16} Strictly defined as schemes which falls within regulation 4(2) of the Disclosure Regulations, or do not fall within regulation 4(2) of those Regulations but are public service pension scheme as defined by section 318 of the 2004 Pensions Act. In practice, we are aware of no such schemes which meet this definition and offer money purchase benefits other than those attributable to AVCs.
35. We do not propose to amend this requirement, although we are proposing to extend the content of the Chair’s Statement – see paragraphs 40-47 and 64-66 below.

36. In addition, certain members are entitled to receive annual benefit statements, whether they are contributing (active), not contributing (deferred), entitled to or drawing a pension (pensioner), or holding a credit, for example as a result of divorce (a pension credit member). We propose that these members should be told about the availability of cost and charge information on the web – see paragraphs 69-71 below.

Our proposals for giving and publishing the information

Background

37. We believe that the publication of costs and charges information could help employers and members draw a meaningful comparison across schemes and the funds available in those schemes whilst also being informative about the costs and charges the members are paying.

38. Future digital innovations may, in time, deliver greater options for publication and for members to have access to this information. We would encourage all those in the industry to continue to explore how they can communicate more effectively with members to improve engagement with their pension saving.

39. We have proposed draft statutory guidance to support schemes to meet the requirements of the proposed Regulations.

What information should be given?

40. As noted earlier, trustees and managers of schemes offering money purchase benefits are required to report on the level of charges, and as far as they are able, transaction costs, borne by members invested in the default arrangement, and the range of costs. They do this via the Chair’s Statement.

41. Where schemes have more than one default arrangement, or more than one fund which is not part of the default arrangement, they are currently required to report only the range of costs and charges.

42. A simple upper and lower bound for charges and transaction costs where there is more than one default arrangement, or more than one fund which is not part of the default arrangement may not meet the objective of providing meaningful member information.

43. For example, where the scheme offers a mix of actively managed funds (with higher charges and transaction costs), passively managed funds (with lower charges and transaction costs) and property funds (with particularly high
charges), the current provisions might require trustees and managers to report costs and charges such as the following:

**Figure 5: Example of charge and transaction cost reporting via the chair’s statement which would be permitted under the current regulations**

<table>
<thead>
<tr>
<th></th>
<th>Charges</th>
<th>Transaction costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default arrangement</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Other funds</td>
<td>0.5 – 1.5%</td>
<td>0.1% - 1.0%</td>
</tr>
</tbody>
</table>

44. Where trustees provide the minimum information required in law, it would prove extremely difficult for any member who made an active choice of fund, or indeed any member at all where the scheme has multiple default arrangements, to identify the actual charges and transaction costs which they had incurred.

45. We therefore propose that the Chair’s Statement should go further and set out the costs and charges for each default arrangement and each alternative fund option which the member can select.

46. Some pension schemes offer a large number of funds and therefore presentation of each individual fund’s costs and charges could potentially be burdensome. However, we do not believe it is reasonable for members who have invested in a fund which trustees or managers have decided to offer to be deprived of accurate cost and charge information. We therefore propose that this requirement should apply irrespective of the number of funds.

47. We do not propose that trustees or managers should be required to separately set out the charges and transaction costs of any underlying funds which the member cannot actively select. The FCA’s rules, once in force from 3 January 2018, will not require asset managers to provide information in this disaggregated form, and this information would not be meaningful or add value.

**What information should be published?**

48. We have considered whether there should be a designated public body which would aggregate and publish to the web all costs and charges information from those schemes within scope. We have concluded that we do not propose to designate or appoint such an organisation.

49. We believe that if the information is published on the web, other industry participants will collate, assess and report on such data via existing services and commentary to help members and others make a meaningful comparison. In particular, this information will help employers make a well-judged decision for their workplace pension provider which will meet the needs of their employees.
50. In addition, 97% of DC pension scheme members are now in the 420 schemes with 1,000 or more members, whereas only 3% of members are in the remaining 2,050 schemes.

51. The largest schemes will have websites to engage and communicate with their membership, and members are much more likely to look for the information there than via a central database of all schemes chair’s statements maintained by a public or industry body. A central publication approach also appears likely to generate more false positives, where members incorrectly identify a different pension scheme as their own - for example an insurer’s scheme for its own staff could easily be confused with the same insurer’s master trust.

52. Furthermore, we believe that the costs of tasking a single body to aggregate and publish a very large volume of scheme cost and charge data should sit with the schemes themselves, rather than the costs for smaller schemes being subsidised by larger schemes.

53. In conclusion, if added value can be provided without designating an organisation to bear this administrative burden then it is right to explore this first.

54. With this in mind, we also do not propose to be prescriptive as to where cost and charge information is published as long as it is published on the internet for public consumption – including members and non-members alike. Schemes will generally want to use their existing website; employers may believe they should host it on theirs. Some schemes and employers may not have a website and may not wish to create one. We think a low burden solution could be to utilise cloud services or online tools, where the documents could be uploaded and the link shared for members to view.

55. We have provided further brief statutory guidance alongside this consultation document. This covers how to produce an illustrative example of the cumulative effect over time of the application of charges and transaction costs on the value of a member’s accrued rights to money purchase benefits (what might be popularly termed their pension pot) and where the specified information must be made available free of charge on a website. We welcome comments on the statutory guidance as part of this consultation.

How often should it be published?

56. As mentioned above, trustees and managers have a duty to consider and report at the end of each scheme year on costs and charges via the Chair’s Statement, which must be produced alongside the scheme’s annual reports and accounts.

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17 These estimates are taken from The Pensions Regulator’s report “DC trust: presentation of scheme return data 2016 – 2017” exclude all schemes with 11 or fewer members, as the vast majority of these are Relevant Small Schemes or Executive Pension Schemes. In addition existing data collection methods make it more difficult to accurately estimate the numbers of such ‘micro’ schemes which are set up in such a way that the members are not themselves trustees, or directors of a corporate trustee.
57. We therefore propose that trustees and managers of occupational schemes should, as a minimum, publish costs and charges on a similar annual cycle aligned with the pension’s scheme year. Schemes should naturally consider publishing cost and charge information more frequently if they have capacity to do so and believe it would be in their members’ interests.

58. We do also note that the timescales for production of the Chair’s statement, pension scheme annual report and accounts are within 7 months of the scheme year end. It might well be argued that this does not meet the objective of providing timely information to members. Audited accounts, and some of the documentation accompanying the Chair’s Statement will require this long lead time.

59. In the long term, such a delay may be unnecessary for the publication of costs and charges alone. However, the FCA’s duties on asset managers, including the aggregation of cost and charge information through multiple asset managers, once in force from 3 January 2018, will need time to bed in. We therefore do not propose to immediately shorten the timescale for the production of cost and charge information.

60. However, we will consider how well cost and charge disclosure is working over the coming years, and consider whether the timescales for publication might be shortened to – for example – 3 months without unreasonable trustee burdens or undesirable consequences.

**How should the information be presented and contextualised?**

61. We recognise that members will wish to receive additional information which explains why costs and charges vary with between funds, and where costs may have varied from year to year. Trustees will also wish to provide such information to help members make good decisions and to avoid less beneficial ones.

62. Therefore we do not intend to be very prescriptive in our requirements. The proposed Regulations have been drafted on the basis that the information which is required to be included in the Chair’s Statement in relation to the ‘default investment strategy’ and ‘costs and charges’ and ‘value for members’ sections are presented alongside the cost and charge information. To be responsive to meet changing needs, and the diverse requirements of different pension scheme memberships, trustees have the freedom and are encouraged, to go beyond these minimum requirements.

63. We welcome views from scheme members, the industry and other stakeholders on whether the content is appropriate, or whether members would benefit from more or less prescribed contextual information.

64. We propose that trustees should not simply share annual percentage charges but also include an illustration of the compounding effect of the costs and charges.

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18 See regulation 1 of the Administration regulations
affecting their pension savings and a ‘£ and pence’ illustration, for ease of member understanding.

65. We have made further suggestions in the draft Statutory Guidance how this, and in particular the compounding effect, should be presented to scheme members to meet the requirements of the Regulations. We are asking for your views on our suggested examples for presentation.

66. We would welcome views from scheme members, the industry and other stakeholders on both the intention behind the illustration of the compounding and the meaningfulness for the intended audience. We are also seeking views from the industry on how the draft Statutory Guidance assists schemes in producing the compounding illustration.

67. £ and pence disclosure meets the aim of a meaningful and simple understandable figure for members. This may, however, give the false impression of absolute accuracy by expressing charges and transaction costs in precise monetary terms. Charges and transaction costs will comprise numerous underlying costs which vary over the course of the year, and therefore members will bear different costs based on the point in the year at which they began to invest in a fund, the day on which members’ contributions were invested, their portfolios were re-balanced and the profile of their holdings over the duration of the year. We recognise that it would therefore not be practically possible to allocate costs to individual members to provide a personalised illustration.

68. Finally, we also recognise that there may be other factors with which trustees or managers vary the level of charges – for example schemes may have a tiered charging structure where the percentage charge drops with pension pot size, either on a marginal or a whole-pot basis, or less commonly with other factors. We do not intend to legislate for these differences, but instead suggest that in such circumstances trustees or managers simply include details of the charging regime as part of the publication. For example, in this instance they might spell out that the charges are 0.7% for first £30K in the default arrangement, and 0.5% thereafter; whereas for other funds, the same tiered approach applies but with an additional charge of 0.3% of the whole pension pot for particular named funds, and 0.5% for the others.

How should the information be given to members?

69. In this consultation we are asking for views on whether members should be proactively informed of the availability of cost and charge information.

70. We believe that the existence and location of scheme cost and charge information on the web needs to be pro-actively ‘pushed’ to members. As well as this being members’ money and accordingly their right to know, members are unlikely to speculatively look for such information online. Not publicising this information
could also potentially drive increased trustee burdens, if members contact trustees with multiple differently-framed ad hoc requests. We acknowledge that openness about all pension costs and charges will also assist in dispelling fears of hidden costs, which can undermine public confidence that auto-enrolment will provide them with better retirement prospects.

71. We therefore propose to minimise trustee burdens by requiring that members should be informed of where to find the costs and charges for their scheme by using the existing Annual Benefit Statement which is pro-actively supplied to most pension scheme members. We propose that each member who receives an annual benefit statement should be provided at the same time with a web address where members can find the costs and charges for their scheme. The draft Statutory Guidance details how this should be included.

What alternative formats should be available?

72. Most information which is provided on request under the Disclosure Regulations (regulations 11-13 and Schedule 3) must be provided in accordance with regulation 26 (giving information and documents), except where the Regulations say otherwise. (See regulations 27 to 29 which set out requirements for giving information and documents in certain cases, including where it is published on a website.)

73. We do not believe that it is appropriate to require this process to be followed where cost, charge and investment information must be published on the internet. Here, we propose that schemes must give the information in hard printed copy on request only if it would be unreasonable for the individual requesting this to access the available information published online.

What are the proposed penalties?

74. In relation to the proposed changes to the Administration Regulations referred to in paragraphs 45-46 and 64 above – where we are proposing that trustees and managers should set out the charges and transaction costs in relation to each individual fund and provide an illustration of the compounding effect – enforcement in relation to the contents of the Chair’s Statement is provided for in Part IV of the Charges and Governance Regulations.

75. Regulation 28 of those Regulations requires that the Regulator must issue a penalty notice where it is of the opinion that the trustees have failed to prepare the statement in line with the Administration Regulations, or has received an indication to that effect. We propose that this penalty regime should also apply to

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19 Required by regulation 17 of The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (SI 2013/2734). The annual benefit statement must be given to members except those whose present postal address and electronic address is not known to the trustees or managers of the scheme.

20 Occupational Pension Schemes (Charges and Governance) Regulations (SI 2015/879)
the additional requirements relating to the reporting of transaction costs and charges set out in the draft Regulations.

76. Regulation 5 of the Disclosure Regulations sets out that the penalty notices for failure to comply with any other requirement under those Regulations. The Regulator may impose a penalty, payable within 28 days, which must not exceed £5,000 for an individual, and £50,000 for an organisation. We propose that this existing penalty regime should apply to any failure to report or publish costs and charges information in accordance with the requirement imposed by the amendments made by these proposed Regulations.

Equality Act

77. Under the Equality Act 2010, public bodies have a duty to give due regard to the needs of people with ‘protected characteristics’. The Equality Duty covers the protected characteristics of:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation; and
- marriage and civil partnership – in respect of eliminating unlawful discrimination only.

78. Paying ‘due regard’ means that, in our roles as policy makers, we are required to consciously think about the three aims of the Equality Duty:

- eliminate unlawful direct or indirect discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who do not share it; and
- foster good relations between people who share a protected characteristic and those who do not share it.

79. As part of this consultation we are seeking any further evidence of the impact of our proposals on protected groups, and how any negative effects may be mitigated.
Questions for individuals on costs and charges disclosure

As a member of a relevant DC pension scheme (or a representative of a relevant pension scheme member)

<table>
<thead>
<tr>
<th>QI1. Does your scheme provide you, without asking, with information about the costs and charges that apply to your pension?</th>
</tr>
</thead>
</table>
| (a) Yes  
(b) No  
(c) Don’t know |

If you answered ‘No’ go to QI6

QI2. Do you understand the information that you currently receive?  
(a) Yes  
(b) No

QI3. How useful is this information?  
(a) very useful  
(b) quite useful  
(c) not very useful  
(d) not at all useful

QI4. What further action, if any, have you taken as a result of the information you received about the costs and charges in your pension?

QI5. How could the information have been presented better?

QI6. Have you ever requested any additional information about the costs and charges in your pension, beyond anything that is routinely provided by your scheme?  
(a) Yes  
(b) No

If you answered ‘No’ go to QI10
QI7. If you answered ‘Yes’, did you receive the information you requested from your scheme?
   (a) Yes
   (b) No

QI8. If ‘Yes’, how useful was this information?
   (a) very useful
   (b) quite useful
   (c) not very useful
   (d) not at all useful

QI9. Please explain your views.

QI10. Do you know what level or amount of costs and charges are applied to your pension?
   (a) I am confident I know all of them
   (b) I believe I know most, but I am not certain
   (c) I believe I know some
   (d) No, I do not know any of the costs and charges

QI11. What additional information, if any, would you like your pension scheme to provide about the costs and charges that apply to your pension?

QI12. Please provide any other comments you have on our proposals or, if you have read them, our proposed Regulations.
Questions for organisations on costs and charges disclosure

The questions below are aimed at consumer groups, employers, service providers - including third-party administrators, investment managers, independent financial advisers and adviser firms – and trustees and managers of schemes.

QO1. The proposed Regulations on costs and charges apply to the same schemes to which the existing requirements to assess charges and transaction costs and to prepare an annual governance statement applies currently. Do you agree with this proposal?

QO2. We propose that:

The Chair’s Statement should be extended to include the actual charges and transaction costs for each default arrangement and any alternative fund choices.

Do you agree with this proposal?

QO3. We propose that cost and charge information should be:

(a) Published annually;
(b) The responsibility of the scheme trustees or managers to publish;
(c) At the discretion of trustees and managers of where to publish, as long as it is publically available and can be indexed by major search engines.

Do you agree with these proposals?

QO4. We recognise that how the information is contextualised and presented to members is important.

We therefore propose:

(a) that the ‘default investment strategy’ and ‘Costs and charges and value for members’ sections be published to provide appropriate contextualisation to the cost and charges information;
(b) that schemes are required to show the cumulative effect of costs and charges over time, as set out in the draft Statutory Guidance.

Do you agree with these proposals?

QO5. We propose that a web link to the location where cost and charge information for their pension scheme can be found is given to members as a
matter of course when they receive an annual benefit statement. Do you agree with this proposal?

QO6. Is any further guidance or support required to achieve to meet the proposed regulatory obligations in the proposed Statutory Guidance?

QO7. Do you agree with the proposed penalty regime?

QO8. Do you agree with the proposal that trustees should only be required to provide a hard printed copy if it would be unreasonable for the individual to access the available information published online? Do you have any other evidence or thoughts about how these proposals will affect members of protected groups and what mitigations, if any, may be required?

QO9. Thinking about the current administrative processes undertaken by the scheme, can you give an indication of the additional time/costs of incorporating our proposals into existing process?

QO10. Do the draft Regulations deliver our policy intent, or are there aspects which you believe will not deliver our objectives? Do you foresee any unintended consequences?

QO11. Are there any other proposals in this consultation on which you would like to offer comments?
Chapter 2: Government response and consultation on investment disclosure

Introduction

1. This is the Government’s response to Chapter 5 of our consultation Better Workplace Pensions: Reducing regulatory burdens, minor regulation changes, and response to consultation on the investment regulation\textsuperscript{21} which was conducted between November and December 2015. We are responding to this Call for Evidence to ensure that this work is aligned with our cost and charge disclosure proposals outlined in Chapter 1.

2. In our previous Call for Evidence, we requested views and evidence about the extent to which occupational pension schemes are currently able to make particular types of information available to members, their spouses, other beneficiaries, and recognised trade unions on request; and any changes which these schemes would need to make to ensure this information was made available.

3. We recognised that a number of factors could influence how easily trustees can access and disclose some investment information. This includes whether the assets are invested in pooled funds or mandates; whether they are invested in passively or actively managed funds; and whether they are routinely asked for this information or whether they need to prepare much of it on an ad-hoc basis in response to individual member requests.

4. The Government was specifically interested to understand the extent to which trustees and managers already make available certain information about investments on request to members, spouses and beneficiaries, and recognised trade unions. This included evidence about the availability of information on:
   - the selection, monitoring, retention and realisation of investments;
   - the stewardship of investments; and
   - the selection, appointment and monitoring of investment managers and other agents to whom powers are delegated.

5. We received 22 responses to this Call for Evidence from across the pensions industry, including trustees, investment managers, pension providers, responsible investment organisations, and representative bodies.

6. Annex A summarises the responses we received. A list of respondents is included at Annex B. The Government would like to thank all those who submitted responses to the consultation.

\textsuperscript{21} Better Workplace Pensions: Reducing regulatory burdens, minor regulation changes, and response to the consultation on investment regulations’, DWP, November 2015.
7. We are now bringing forward for consultation a number of policy proposals and draft regulations for disclosure of investment information to members of a “relevant scheme” as defined in the Occupational Pension Schemes (Scheme Administration) Regulations 1996\textsuperscript{22} for the funds in which they are directly invested.

8. This consultation will enable the Government to understand whether these proposals strike a balance between allowing members to access information on their pension investments, without introducing significant burdens on trustees or managers.

9. Subject to the responses and Parliamentary time, we plan to lay Regulations to achieve investment disclosure in early 2018.

**Respondent proposals**

10. As well as responding to our requests for evidence, we received a number of policy proposals to improve disclosure of investment information to members, or to make improvements in related areas.

**Non-regulatory proposals**

11. Several respondents to the Call for Evidence highlighted areas where guidance for trustees might be more helpful. Three main areas were identified:

   ‘The regulator has an important role to play both in encouraging transparency and in issuing guidance. There is substantial case law involved in determining whether trustees can take into account non-financial factors and TPR will be required to reflect this and to ensure its guidance incorporates the thinking within the Law Commission report\textsuperscript{23}.’ \textit{UK Sustainable Investment and Finance Association}

   ‘Meaningful conclusions are more easily reached if the consumer of that information has relevant knowledge of corporate governance and stewardship – as this is very specialised knowledge many trustees are not equipped to conduct this analysis (or do not feel comfortable doing so). … useful questions to pose to managers include the following:

   “How often did you disagree with the recommendations of your proxy voting adviser? Were there particular issues on which you consistently disagreed?

   “Were there instances in which you did not cast votes at all (e.g. in specific markets)? If so, why?”’ \textit{Mercer}

   ‘The Pensions Regulator [should] publish guidance on best practice for disclosing

\textsuperscript{22} SI 1996/1715 - \url{http://www.legislation.gov.uk/uksi/1996/1715/regulation/1}

\textsuperscript{23} Fiduciary duties of investment intermediaries, LC350 – October 2014
information to members, focusing on disclosing useful information in a way a layperson can understand.' **ShareAction**

12. Two respondents suggested that the Law Commission’s guidance should be given the weight of statutory guidance.

‘To strengthen the DWP’s conclusions, the PRI suggests the ESG guidance is fully referenced in regulation. This will provide further clarity for trustees and will ensure the guidance is used by trustees in investment decision-making and the decision-making of their agents.’ **Principles for Responsible Investment (PRI)**

**Regulatory proposals**

13. In addition to these non-regulatory proposals, three main regulatory proposals were also suggested. These were the extension of the Statement of Investment Principles; the publication of the SIP; and the disclosure of pooled funds. These proposals are now considered in turn.

**SIP extension and SIP publication**

14. Three respondents proposed that trustees be required to publish the Statement of Investment Principles, with two of these suggesting that the annual report ought also to be published.

15. In addition, four respondents suggested that the Statement of Investment Principles ought to be extended to cover a variety of areas, including:

- a report on how they implement their policies and statements of investment principles;
- their policies on stewardship and engagement activities, in addition to voting;
- explanations of why, if they do not have a particular policy (such as stewardship, or consideration of social, environmental or ethical factors), this is appropriate;
- where the trustees’ policies amount to delegation to managers or other agents, how they ensure that the policies are followed and how they monitor agents;
- their procedure for identifying financially-material factors;
- the advice they received and their conclusions with regard to such factors;
- how they ensure they are notified of emerging issues so that beneficiaries can be confident that long-term financially-material factors are being taken into account; and
- how they have instructed their agents with respect to issues identified as relevant now or likely to become relevant; and what those agents have done.

**Pooled fund disclosure**

16. One respondent indicated that disclosure of pooled funds in which the scheme or member was invested might be an option worth investigating. The default arrangements used by most members of DC schemes make increasing use of lifestyle arrangements, target date funds, white labelling and other blended funds.
DC members may in practice, therefore, have little idea of the funds into which their trustees have chosen to direct their contributions.

Government response

Non-regulatory proposals

17. This Call for Evidence and consideration of the responses overlapped with the development of How to Guides by The Pensions Regulator (TPR). These guides are designed to support trustees and managers of DC schemes in complying with TPR’s revised DC Code of Practice. The Government has made TPR aware of proposals for additional guidance offered in response to this Call for Evidence, and TPR have considered these proposals alongside input from their own stakeholder engagement programme.

18. Guidance on several areas suggested by respondents, including the treatment of financial and non-financial factors, assessment of investment/fiduciary managers’ stewardship and ESG policies, and the disclosure of investment information to members has consequently been developed as part of the suite of How to Guides, which were published alongside the DC Code in July 2016.

19. The guidance provides clarification both on minimum legal requirements, and on good practice in accessing and producing investment information.

20. A few respondents suggested that the Law Commission’s guidance should be given the weight of statutory guidance. Whilst the Government has welcomed the Law Commission’s report and accompanying guidance, it does not currently have the primary legal powers to make this possible. The Government therefore cannot make this change without additional new primary legislation.

21. In 2015, following consultation on the Law Commission’s recommendation for changes to the Investment regulations to clarify the treatment of financial and non-financial factors, the Government decided not to make any legislative amendments. Subsequently, in June 2017, the Law Commission have made further recommendations for Government, including the suggestion that the Government again reviews the Investment Regulations.

22. We welcome the Law Commission’s recommendations, and we will be looking again at whether legislative change might be helpful in clarifying trustees’ legal duty to consider financially material risks, including where appropriate those

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24 Governance and administration of occupational defined contribution trust-based schemes - Draft code of practice no: 13. TPR consulted on this between 24 November 2015 and 29 January 2016.

25 See in particular Managing DC Benefits section 4 – Investment Governance.


27 Pension Funds and Social Investment, LC374
arising from environmental, social and governance factors. We will publish an interim response to the Law Commission no later than December 2017.

Regulatory proposals

SIP extension

23. The Government has carefully considered the proposal to expand the Statement of Investment Principles (SIP).

24. An expanded SIP, if published or given on request, may be of interest for the most engaged members who would have further information about the principles trustees have followed in selecting and managing investments. We will consider, as part of any subsequent steps following our response to the Law Commission’s 2017 report referred to above, whether other information ought to be documented to both improve trustee decision making and to provide better outcomes.

25. As part of that consideration, we will bear in mind the views expressed by one respondent, who suggested that a number of SIPs had a generic ‘boiler plate’ flavour. When we respond to the Law Commission’s review, we will also consider how to mitigate any risks of inadvertently encouraging additional boiler plate text rather than SIPs which give members practical knowledge or confidence about the ways in which their contributions are being invested.

SIP publication

26. We agree that the requirement to publish a SIP, and perhaps the scheme’s annual report and accounts, could potentially give the most engaged members further information about the principles trustees have set down in the selection and management of investments. The content of the SIP, if not necessarily the entirety of the annual report and accounts, will also be broadly comprehensible, and the requirement to publish might reasonably be expected to encourage greater clarity for general readers.

27. The Government is now consulting (see Chapter 1) on a duty to publish cost and charge information at least annually. A range of simple web applications are available to trustees to publish a single document without going to the effort of creating an entire website to house it.

28. However, it is currently uncertain whether exposing schemes to more scrutiny through publication of the SIP and/or the annual report, necessarily drives improvements in the quality of SIPs – and whether in turn that leads to more considered decisions or limit the risk of worse outcomes. As highlighted above, a number of schemes already voluntarily publish relatively ‘vanilla’ SIPs, which use standard text to explain positions on a range of matters.

29. Although it is currently unclear whether publication will drive sufficient improvements in member outcomes to be worthwhile, we will keep this proposal under consideration. We may consider this proposal in due course, in the light of future trends in adoption of more meaningful, less boilerplate text; developing
publication practices; and member take-up of the information which we are proposing should be disclosed in chapter 1.

**Pooled fund disclosure**

30. One respondent referred to the possibility of disclosure of pooled funds – on request – in which the scheme or member was invested. The information, if provided on request, would appear to be beneficial for engaged members who want further information about which funds their savings are invested in.

31. Indeed, there are a number of advantages to the adoption of investment disclosure in this manner:

- the burden for trustees will consist only of responding to member requests with information which is already in their possession;
- with access to information about pooled funds, engaged members would be able to freely search a wide range of public information about those funds to:
  - identify the fund’s top holdings,
  - understand how the asset managers select investments on trustees’ behalf; and
  - how they engage with the companies in which they invest²⁸;
- engaged members could use this information to bring trustees’ attention to examples of particularly effective or less effective adherence to transparent reporting and responsible investment by the asset managers the trustees have selected.

32. Furthermore, tasking trustees with only disclosing the ‘top-level’ funds used by the scheme, rather than the detail of investment decisions, also recognises the reality of many pension schemes – that most DC pension scheme trustees in practice delegate all day-to-day investment decisions apart from the outlining of broad strategies, and selection of the investment managers and the pooled funds to meet them. The main point at which these trustees, especially trustees of smaller schemes, can have the greatest impact on the scheme’s holdings and its approach to stewardship are at the point of asset manager appointment and pooled fund selection.

33. Clearly, member views would generally not be binding on trustees, except to the limited extent viewed by the Law Commission:

‘In DC schemes, members bear both the benefits and the risks of the investment decision and should therefore be entitled to make informed ethical choices. We think that where the trustees of DC schemes are faced with members’ clearly articulated views they should attempt to provide a suitable choice of funds.’²⁹

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²⁸ For example: fund annual reports, the Financial Reporting Council’s ratings of asset manager reporting against the Stewardship code, Responsible Investment transparency reports produced by the UN-backed Principles for Responsible Investment, ShareAction asset manager reports, Morningstar’s sustainability scores of pooled funds, and other sites such as https://yoursri.com.

²⁹ Fiduciary Duties of Investment Intermediaries. Paragraph 6.83, LC350
Consultation - pooled fund disclosure

34. The Government has given careful consideration to whether pooled fund disclosure by DC schemes on request results in improved member outcomes which outweigh the burden on trustees and managers, given our aim to reduce trustee burdens where possible. Our initial conclusions suggest that this measure will build confidence in pension saving, and that members should be able to obtain certain information about where and how their pension pots are invested, particularly if such information enables them to better understand trustees’ or investment managers’ decisions, and it can be provided in a light-touch way.

35. We are mindful of the view that our proposals may be exploited to apply pressure on trustees to make investment decisions based on political motives. We are clear that investment decisions are the responsibility of the pension scheme trustee. There is robust safeguarding for trustees, in the form of current trust law, and the guidance published by the Law Commission, to protect them from such undue pressure.

36. Indeed, the Law Commission have again made clear in their 2017 report “Pension Funds and Social Investment” that trustees should only automatically consider long term financially material factors when considering the scheme’s investment objectives for their members. They may only consider non-financially material, purely ethical factors where trustees both have good reason to think that scheme members would share the concern; and the decision does not involve a risk of significant financial detriment to the fund.

37. The Government is therefore consulting on draft Regulations which impose a duty on trustees and managers to disclose on request to members and recognised trade unions, the top level of pooled funds, for which public information is available, in which members are invested. By “pooled funds” we mean a “collective investment scheme” in which the scheme member is invested. This has the same meaning as in regulation 1 (interpretation) of the Occupational Pension Schemes (Investment) Regulations 2005. We do not currently foresee unmanageable commercial sensitivities in reporting details of pooled funds, but we will consider this as part of our Consultation.

38. Additionally we are consulting on proposals to require trustees and managers to tell members via the annual benefit statement that this information can be obtained on request.

What schemes should be in scope

39. Some DC schemes pro-actively disclose the components of their default fund, and the minority of members who make an active choice of fund will know the pooled funds in which they have invested; however we now propose that these

additional disclosure requirements should have the same scope as those currently required to produce a Chair’s statement and apply with exceptions.

40. As with the disclosure of cost and charge information, we propose the following exemptions:

- executive pension schemes\(^{31}\);
- relevant small schemes\(^{32}\);
- schemes that do not fall within paragraph 1 of Schedule 1 (description of schemes) to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013\(^{33}\);
- unfunded and fund public service pension schemes\(^{34}\); or
- schemes which provide no money purchase benefits other than benefits which are attributable to additional voluntary contributions.

41. We do not propose to extend this requirement to Defined Benefit schemes at the present time. In these schemes, members do not bear the investment risk, and are much more limited in the range of decisions they can make with the information. In addition, trustees and managers of DB schemes, and their sponsors, are already appropriately incentivised to maximise long-term investment returns to limit employers’ liability.

Who should have a right to request pooled fund information?

42. Information on underlying investments is personal and particular to the member. We believe it would be disproportionate and could raise privacy concerns if we were to require schemes to disclose information to spouses, civil partners and beneficiaries of the scheme. In addition, it would be disproportionate for trustees and managers to disclose such information to prospective members due to not knowing with certainty the funds those members were to invest in.

43. Many of the relevant schemes will also have a very wide range of investment options. Disclosing all the ‘top-level’ pooled funds which make up these

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\(^{31}\) Executive Pension Scheme means a scheme in relation to which a company is the only employer and the sole trustee; and the members of which are either current or former directors of the company and include at least one third of the current directors.

\(^{32}\) Also known as ‘Small Self-Administered Schemes (SSASs)’, a relevant small scheme is a scheme with fewer than 12 members where all the members are trustees of the scheme or all the members are directors of a company which is the sole trustee of the scheme.

\(^{33}\) This has the effect of principally excluding single member schemes, schemes which are not tax registered or only provide death benefits.

\(^{34}\) Strictly defined as schemes which falls within regulation 4(2) of the Disclosure Regulations, or do not fall within regulation 4(2) of those Regulations but are public service pension scheme as defined by section 318 of the 2004 Pensions Act. In practice, we are aware of no such schemes which meet this definition and offer money purchase benefits other than those attributable to AVCs.
investment options, most of which will not be used by the members concerned, will be distracting and potentially confusing for requesters.

44. To ensure that the information is proportionate for trustees to disclose, and as focused and relevant as possible to requesters, we propose that only the highest level of pooled funds for which public information is available and in which the members are invested should be disclosed when members request it.

45. Recognised trade unions, in contrast, have a broader role representing the employees of the employer which recognises them for the purposes of collective bargaining. Therefore, we propose that recognised trade unions should be able to request information on all the top level pooled funds invested in by the scheme on behalf of the employees whom the trade union represents.

46. In a traditional single employer scheme where the sponsoring employer recognises only one trade union this would simply mean that trustees would be required to disclose to the trade union all the top-level pooled funds which are used by members of the scheme. In a multi-employer scheme such as a master trust, where a particular trade union was recognised by one employer, our proposed policy would mean that trustees were required to disclose only the pooled funds in which employees of the employer who recognised the trade union were invested.

Timing and format

47. We propose that trustees and managers of schemes should prepare the pooled funds in which members were invested for the previous scheme year, and that in line with Part 4 of the Disclosure regulations this information should be available within 7 months of that scheme year end date and that it must be provided within 2 months of a request being made.

48. It is of course possible for the top-level pooled funds in which members are invested to change over the scheme year – this approach may result in trustees being required to report pooled funds in which members are no longer directly invested. Our initial engagement has suggested that an annual disclosure on request of the pooled funds in which the member has been invested over the previous scheme year will be helpful for members, whilst resulting in less overall work for trustees than answering in-year requests from members about the scheme’s current holdings.

49. Trustees and managers must, upon receiving a request for information, respond to the request as per the requirements of Regulation 26 of The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.

50. We therefore currently believe that this option offers the best trade-off between member benefit and trustee burdens – but we would welcome views on whether a

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duty to provide information about the funds in which members are invested at the time of the request offers a more appropriate balance of benefit and burden.

Proposed penalties

51. We propose that the same penalty regime should apply for failure to disclose pooled funds as any other requirement under the Disclosure Regulations, including those that we proposed in Chapter 1.

What is meant by direct investment? What is meant by pooled funds?

52. We want to ensure that pension scheme members and other requesters are provided with enough information about their pooled funds to be able to find published information about both:

- the investment aims, top holdings and ratings of the pooled funds - for example, through the fund factsheets and annual reports, and by Morningstar’s and others’ sustainability scores; and
- the policies and practices of the fund manager – for example by searching the Financial Reporting Council’s tiered assessments of signatories to the Stewardship code, and Responsible Investment transparency reports produced by the UN-backed Principles for Responsible Investment.

53. However, we wish to do this in a way which recognises the diverse ways in which pension schemes invest. Defined contribution schemes will typically invest via unit-linked long-term contracts of insurance. These unit-linked contracts have comparatively light disclosure requirements - for example, there is no requirement to produce an annual report - which means that it would be difficult or impossible for a pension scheme member to establish from the name of the unit-linked contract anything about the holdings or even potentially the asset manager. However, the ‘permitted links’ (the property by reference to which the linked-long term contract of insurance is linked) will often consist of one or more pooled funds for which public information is available. Again, where this is the case, we are proposing that trustees should disclose only the top-level funds.

54. Having therefore considered the availability of published information on the main ways in which pension schemes hold investments, our policy proposals are as follows:

- **Arrangements that invest in a vehicle, such as a collective investment scheme, for which there is publicly available information,** such as a fund that is authorised or recognised by the FCA. Here we propose that trustees should disclose the names and the International Securities Identification Number (ISIN) of all funds in which they are directly invested, so that members can find the appropriate public information;

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37 Defined in the FCA Conduct of Business Sourcebook as “long-term contracts where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description, or by reference to fluctuations in, or in an index of, the value of certain property.”
• **Arrangements that invest in unit-linked contracts.** For these contracts there is not necessarily any publicly available information. We therefore propose that schemes ‘look-through’ the unit-linked contracts to any underlying authorised funds for which there is public information, and disclose the names and reference codes of those funds;

• **Arrangements where the assets are managed to a bespoke mandate** – As there will usually be very limited published information, or no information, available about these funds, their names will not provide any value for requesters. We therefore propose that trustees similarly ‘look-through’ the mandates to any underlying authorised funds. Where the mandate does not contain any authorised funds, we do not currently plan to require any additional disclosure. Members may use the existing scheme disclosure requirements\(^\text{38}\) to request information such as the manager of the scheme’s investments.

55. We know that a few DC scheme trustees engage a fiduciary manager to take responsibility for the selection of underlying asset managers and to exercise more discretion over asset allocation. Nevertheless our early stakeholder engagement has suggested that trustees would have access to the details of the top-level pooled funds for which public information is available. We would generally expect trustees to know or be readily able to find out these funds in order to fulfil their own fiduciary responsibilities. We would be interested in any circumstances in which this was not the case.

56. Where trustees had invested in a pooled fund composed of other pooled funds, for example in a ‘fund of funds’ structure, we would not expect trustees to look through the top-level pooled fund to the underlying funds. Requiring this would be unduly burdensome, as trustees won’t always have the information to hand, and may need to proactively follow up with multiple asset managers in the investment chain to understand all the underlying pooled fund holdings. It may also prove distracting and confusing for members. In any case, members with an interest may use fund factsheets and annual reports to find out public information about any underlying pooled funds.

57. How this approach might work in practice is described below.

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\(^{38}\) In Schedule 3 to the Disclosure regulations
Under our proposals the following would be disclosed and the funds below excluded:

i. Global Equities fund
ii. Bond fund
iii. Global Properties fund

**Telling members about the availability of investment information**

58. We are mindful of the fact that a relatively small number of members are likely to speculatively ask for information about their pension scheme’s investment holdings, and that members may not formulate their request in such a way that trustees can be entirely clear what investment information is being requested.

59. We therefore also propose that when the annual benefit statement is sent to members, this should also explain that members can request further information about the funds in which they are directly invested.

60. We anticipate that this will be a relatively light touch requirement. This is because such a change would consist of standard text introduced into all annual benefit statements produced by pension schemes, or produced by administrators on their behalf. We would still anticipate that a relatively low, albeit increased, number of members will request such information, and such information can be made available electronically by default, whenever the trustees have reason to believe that the member can access the information in this form, and the member has not specifically asked to receive the information by post. We would welcome views as to whether trustees ought to be required to tell members about the availability of other information about scheme investments, for example the information listed in Schedule 3 to the Disclosure regulations\(^{39}\).

61. We do not currently propose to require trustees and managers to publish any of this information about their pooled funds, although schemes with larger or more actively engaged memberships may decide that this is a more cost effective way of complying with this proposed requirement, which is also more helpful and efficient for members.

Questions for individuals on Investment disclosure

As a member of a relevant DC pension scheme (or a representative of a relevant pension scheme member):

<table>
<thead>
<tr>
<th>Q1. Does your scheme provide you, without asking, any or all of the following information about the investment managers, investments and policies that apply to your pension?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The names of the investment managers</td>
</tr>
<tr>
<td>The names of funds in which your pension is invested</td>
</tr>
<tr>
<td>The stated aims of the actual funds</td>
</tr>
<tr>
<td>The top 5 to 10 holdings of the actual funds</td>
</tr>
<tr>
<td>How the investment manager engages with the firms in whom they invest</td>
</tr>
<tr>
<td>(a) Yes</td>
</tr>
<tr>
<td>(b) No</td>
</tr>
</tbody>
</table>

If you answered No to all of the above, go to Q6.

<table>
<thead>
<tr>
<th>Q2. Do you understand the information that you currently receive?</th>
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<tbody>
<tr>
<td>(a) Yes, all of it</td>
</tr>
<tr>
<td>(b) Some of it</td>
</tr>
<tr>
<td>(c) A little of it</td>
</tr>
<tr>
<td>(d) None of it.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q3. How useful is this information?</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) All of it is useful</td>
</tr>
<tr>
<td>(b) Some of it is useful</td>
</tr>
<tr>
<td>(c) A little of it is useful</td>
</tr>
<tr>
<td>(d) None of it is useful</td>
</tr>
</tbody>
</table>

| Q4. What further action, if any, have you taken as a result of the information you received about investments in your pension? |

| Q5. How could the information have been presented better? |
QI6. Have you ever requested the following additional information about investments in your pension, beyond anything that is routinely provided by your scheme?

The names of the investment managers
The names of funds in which your pension is invested
The stated aims of the actual funds
The top 5 to 10 holdings of the actual funds
How the investment manager engages with the firms in whom they invest
(a) Yes
(b) No

If you answered ‘No’ to all of the above go to Q10.

QI7. Did you receive the information you requested from your scheme?
(a) Yes, all of it
(b) Some of it
(c) A little of it
(d) None of it

QI8. If you received ‘All of it’, ‘Some of it’ or ‘A little of it’ how useful was this information?
(a) All of it was useful
(b) Some of it was useful
(c) A little of it was useful
(d) None of it was useful

QI9. Please explain your views

QI10. Do you feel you know enough about investment managers, investments and policies that apply to your pension?
(a) Yes
(b) No

QI11. What other additional information would you like your pension scheme to provide about your investments?
Q112. Do you have any other comments on our proposals? If you have read the draft Regulations please provide your views on whether these meet the intent of our policy.
Questions for organisations on investment disclosure

The questions below are aimed at consumer groups, employers, service providers - including third-party administrators, investment managers, independent financial advisers and adviser firms – and trustees and managers of schemes.

Q012. Do you believe that members, and recognised trade unions should have the right to request this information and that the requirement to disclose this on request is proportionate?

Q013. Do you agree with the proposed timing and penalties for pooled fund disclosure on request? Do you agree with the policy that trustees should disclose the pooled funds invested in over the previous scheme year? If not, what alternatives would you propose?

Q014. Do you agree that restricting disclosure on request to only the pooled funds in which members were directly invested is more helpful to members and less burdensome to trustees?

Q015. Do you agree with our proposed policy on disclosure of top-level pooled funds only, combined with ‘look through’ of unit-linked contracts and mandates to the ‘first tier’ of underlying pooled funds?

Q016. Are there any circumstances where trustees and scheme managers would not be aware and would be unable to obtain information about the pooled funds in which their members are directly invested?

If there are circumstances in which they are unaware, please clarify how trustees remain compliant with their fiduciary duties in these scenarios.

Q017. Do you agree with our proposal that schemes should give standard information about the availability of further information about pension scheme investments in the annual benefit statement?

Are there any reasons why this requirement would be burdensome or undesirable?
QO18. Thinking about the current administrative processes undertaken by the scheme, can you give an indication of the additional time/costs of incorporating our proposals into existing processes?

QO19. Are there any areas where the regulations do not meet the policy intent?

QO20. Are there any other proposals in this consultation on which you would like to offer comments?
Annex A – Summary of responses

What information is made available

Call for Evidence question 1: To what extent do trustees and scheme managers currently make the information on selection, monitoring, retention, stewardship and realisation of investments; and selection, appointment and monitoring of investment managers and other agents available to beneficiaries on request?

1. We received a broad range of responses to this Call for Evidence question, covering investment policies and practices; good practice that goes beyond minimum legal requirements; and the appetite of members to seek such information.

Investment policies versus investment practices

2. A number of respondents argued that much of this information is already available through the Statement of Investment Principles (SIP), which trustees of schemes with more than 100 members, other than public sector schemes, are required to produce under regulation 2 of the Occupational Pension Schemes (Investment) Regulations 2005.40

3. The respondents explained that the SIP covers trustees’ policies in relation to the kinds of investments held, the balance between different kinds of investments, the risks and how these are measured and managed, the expected returns, and the realisation of these investments. It also covers the trustees’ policy, if any, in relation to the exercise of the rights attaching to investments, and the extent to which social, environmental or ethical considerations are taken into account.

4. However, the SIP does not mandate any disclosure on investment practices such as the companies or financial instruments in which trustees invest, or how votes are cast.

5. Some respondents noted that trustees do have minimum legal requirements on disclosure of practices, but these are much more limited, being confined to the names of their professional advisers, banks and custodians who have acted for or been retained by the trustees, and the investment managers of the scheme, together with any delegation of investment functions.

Going beyond legal requirements

6. As might be expected, the Call for Evidence heard of a diversity of practices that go beyond the minimum legal requirements.

‘We make information such as our SIP and investment performance figures available online and we are developing ways to deliver more comprehensive information to our savers.’ B&CE

40 SI 2005/3378
‘The SIP is available to all beneficiaries on request. SAUL’s corporate governance policy also provides information relating to the stewardship of the investments and this document is available to beneficiaries on request.’

**SAUL (Superannuation Arrangements of the University of London)**

‘We also provide monthly information on our member website regarding the scheme’s top 10 active shareholdings.’ **Transport for London**

7. There was also a wide diversity of views about practices across industry as a whole, with larger schemes, perhaps unsurprisingly, appearing to disclose more information.

‘We believe that the majority of Trustees will only make available the information they are required to make available by statute’ **Aviva**

‘Our annual stewardship survey⁴¹ found 37% of respondents publicly disclose their voting records, while 22% disclose to fund members either actively or on request. 37% do not disclose any detail.’ **PLSA (Pensions and Lifetime Savings Association)**

8. Although we received less information about the selection, appointment and monitoring of investment managers, there appeared to be a similar diversity of views.

‘A brief overview of the policies on selection, appointment and monitoring of the underlying investment managers is included within the Statement of Investment Principles… Information on the overall investment performance of the Scheme together with commentary on any changes to the investments and the manager roster is provided annually within the Scheme’s report and accounts.’ **SAUL**

‘Similarly, little is disclosed about how asset managers and other agents are held to account... We regret that at the present time such disclosures would often be problematic because small schemes find it very difficult to hold agents to account.’ **Association of Member-Nominated Trustees (AMNT)**

9. Additionally, where schemes have voluntarily adopted additional standards, the level of detail provided also varies significantly. Some schemes have signed up to the Financial Reporting Council’s Stewardship Code, which aims to enhance engagement between asset managers and companies to help improve long-term returns by setting out a number of areas of good practice.

‘The quality of reporting [against the stewardship code] by asset owner signatories varies considerably, as it does for other signatories. However, the best reporters provide their beneficiaries, in conjunction with the disclosures in the SIP,

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⁴¹ Pensions and Lifetime Savings Association Stewardship Survey 2016. Based on 60 responding UK pension funds with a total of at least £260 billion assets under management. - [http://www.plsa.co.uk/PolicyandResearch/DocumentLibrary/~media/Policy/Documents/0562-Stewardship-Survey-2016.pdf](http://www.plsa.co.uk/PolicyandResearch/DocumentLibrary/~media/Policy/Documents/0562-Stewardship-Survey-2016.pdf)
with an overview of their approach to stewardship, voting and the way in which they approach responsible investment.’ Financial Reporting Council

Engagement of members with information

10. A theme raised by many respondents was that investment information is rarely requested. Others also raised concerns that pro-active disclosure of information could inadvertently lead to undesirable outcomes.

‘We are not aware that this information is requested by beneficiaries on a regular basis.’ Deloitte

‘We would expect that most trustees would take the view that supplying the information to all members routinely would be detrimental to their communications policy, particularly for members struggling to keep up to date with pension changes that impact them more directly.’ Aon Hewitt

11. Some respondents felt that pro-active disclosure of such information could create the risk of some members drawing erroneous conclusions from the information provided.

‘Performance of managers is disclosed the Annual Report & Accounts, but members can sometimes focus incorrectly on the underlying asset performance (which is a function of strategy, allocation and diversification) and judge managers on that basis. … A change of manager may be a function of a strategy change rather than of poor performance …Pension schemes should retain discretion as how to best inform members of manager changes. The focus of members is better directed towards understanding the underlying strategy, rather than a ‘hirings and firings’ storyline.’ Transport for London

12. Other respondents thought there could well be more subtle reasons for an apparent lack of member engagement.

‘It would be wrong to rely entirely on existing evidence of members’ appetite for information as an argument for not changing the status quo. There is a severe lack of understanding in UK society about how pensions work. Furthermore… the information members do receive under existing rules often presupposes a much higher level of understanding or is vague and unclear. It is not surprising that people are not asking for (further) information.’ ShareAction

Accessing and compiling information

Call for Evidence question 2: What are the challenges trustees and scheme managers might face in accessing this information including how it may be affected by different investment approaches?

13. We received a diverse range of responses to this Call for Evidence question, covering the costs and commercial sensitivities involved in producing such information; and the ease or challenge of ensuring that any such information provided to the member is comprehensible.
Costs and complexity of producing the information

14. On the costs of producing such information, many respondents explained that this depended on two key drivers: the number of asset managers and funds used; and the complexity of the asset classes. Some respondents argued that these could make the costs of producing such information significant, and the collation of such information very difficult. For example, one respondent explained that they had 26 external investment managers, within 26 mandates (many of which include sub-mandates).

‘Unless implementation of investments is made by directly investing in companies, information on selection and monitoring becomes not just inappropriate, but impossible to collate.’ NOW: Pensions

‘The complex nature of the scheme’s investments requires significant time and resource to understand whether the strategy and underlying investments are meeting the Trustee’s objectives. Therefore careful consideration should be given to providing beneficiaries with anything more than the existing annual reporting of total performance and commentary through the Scheme’s accounts.’ SAUL

15. However, other respondents felt that, given their duty of care, trustees are and should be able to access this information and provide it to members.

‘If trustees are not able to easily access information about where their money is invested, they must be able to show that they are exercising careful oversight of the way in which managers operate in pooled funds. If trustees genuinely cannot access information about these funds, this raises questions about whether or not it is appropriate for them to be investing members’ money in this way.’ ShareAction

16. On the subject of particular asset classes, several respondents offered examples of when disclosure may be more or less straightforward.

‘It might actually be easier to disseminate knowledge of the composition of a pooled fund holding than to do so for other types of portfolio, since in most cases the pooled fund provider will be publishing the data generally. More challenging would be to provide meaningful information to members about alternative asset classes such as private equity or derivatives used in LDI strategies issues here might relate to clarity or to commercial sensitivity or to both.’ AMNT

Commercial sensitivities

17. Some respondents cautioned that commercial sensitivities could make disclosure of such information difficult or inappropriate.

‘There are confidentiality issues and risks around confidentiality agreements with external investment managers that need to be considered.’ RPMI RailPen

18. Other respondents suggested that redaction, delayed disclosure and partial disclosure were all possible alternatives where commercial confidentiality was genuinely at stake.
Making the information comprehensible

19. Some respondents explained that a different kind of challenge faced by trustees seeking to disclose information to members was around making the information comprehensible for them. For example, one scheme reported that their passive equity manager voted on over 60,000 resolutions worldwide in a single year, and they employed several other active equity managers voting at a further 300 annual general meetings. Collating and disclosing such information to members in a meaningful way, would, it was argued, be very difficult.

20. Another respondent reported that trustees tend to have difficulty with the volumes of information:

‘Another problem of interpretation can arise from receiving too much information (or information that is in a non-standardised format – a common problem with voting and engagement data). Trustees requesting evidence of stewardship behaviour are likely to be provided with large amounts of data on voting (and in some cases engagement), which in isolation are fairly meaningless.’ Mercer

21. Several respondents suggested that significant trustee intervention would tend to be necessary to make the information useful for onward disclosure.

‘Existing information may have been prepared for an internal readership (i.e. trustee meetings) so could require re-phrasing or re-formatting in order to make accessible to scheme members.’ PLSA

‘Stewardship information, for example, would be difficult to provide in a format understandable by most beneficiaries’ Association of Consulting Actuaries

Current and future costs of disclosure

**Call for Evidence question 3:** Do you have any information on the costs involved in disclosing this information to beneficiaries where such information is requested?

22. In its Call for Evidence, the Government did not provide detailed options for disclosing information to members, but sought to understand in general terms the costs of making information available. Accordingly, respondents offered thoughts on the cost associated with disclosure generally.

23. There was a broad consensus that the costs would not be excessive – although the form of disclosure and the frequency of request were generally acknowledged to be the key drivers of cost.

‘If information is provided on request, rather than as an obligatory publication to each member, we do not envisage that there would be significant cost implications.’ NOW:Pensions

‘If the information has to be produced for one member on request, the costs of supplying the same information to a second or third member that might request it will be minimal. As noted above, trustees might expect such requests to be very
rare and so preparing such information just in case such a request is received might be viewed as disproportionate.’ **Aon Hewitt**

24. One respondent offered approximate costings for current and possible future disclosure practices.

‘Our current approach to preparing information on voting and associated ESG matters for the Trustees which later features in summary form in information to members could be costed at around £1,000 per quarter. A requirement to routinely provide more detail to members plus the expected increase in queries that may result could conceivably increase those costs to £10,000 per quarter.’ **Transport for London**

25. Other respondents suggested that where information was to hand, trustees could use web publication at very low cost.

‘Providing information online enables interested parties to access information when they want and makes costs of provision negligible.’ **B&CE**
Annex B - List of respondents to the Investment Disclosure call for evidence

Aon Hewitt
Association of Consulting Actuaries
Association of Member-Nominated Trustees (AMNT)
Association of Pension Lawyers
Aviva
B&CE
BT Pension Scheme
Client Earth
Deloitte
Financial Reporting Council
Mercer
NOW:Pensions
Pensions and Lifetime Savings Association (PLSA)
Principles for Responsible Investment (PRI)
RPMI RailPen
Sackers
Superannuation Arrangements of the University of London (SAUL)
ShareAction
Society of Pension Professionals
Transport for London
UK Sustainable Investment Forum
West Midlands Pension Fund