

Independent Governance Committee

Annual Report

For the year ending 31 December 2025

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The Chair's Introduction

I am delighted to be delivering the eleventh annual report of your True Potential Investments (TPI) Investment Governance Committee (IGC); my fifth report as Chair. I write to you about the calendar year that has just gone past - the year of 2025. The remit of the IGC is primarily to assess the Value for Money (VFM) that the TPI Auto Enrolment (AE) scheme offers to members of the scheme.

This report contains several abbreviations for the sake of brevity. A Glossary on page 36 is provided to clarify these terms and support your understanding of the content.

In 2025, global events and new international trade rules caused frequent, unpredictable ups and downs in investment markets. While these shifts in the stock market can be concerning for long-term savings and pensions, such volatility is a normal reaction to worldwide instability. Conversely, daily living costs began to stabilize as rapid price increases for shopping and energy slowed down compared to previous years. To support households, major central banks, including the Bank of England, reduced interest rates, making the overall economic situation more manageable by the end of the year.

During the year the Financial Conduct Authority (FCA) has continued to work on changes to the way in which IGCs assess Value for Money, as part of a joint exercise with The Pensions Regulator (TPR) and the Department for Work and Pensions (DWP). The DWP and FCA have published the details of the changes that they propose in four consultation papers and your IGC has a number of substantial concerns with the approach proposed (see page 31 for more information). The DWP and FCA have indicated that the changes are likely to be introduced in 2027 and will affect the assessments carried out in 2028 relating to 2027. In the meantime, we have continued to assess Value for Money using the same criteria that we introduced in 2022 when the regulations last changed, which are as follows:

- Costs and Charges
- Investment Performance
- Quality of Services – Product Governance
- Quality of Services – Administration
- Quality of Services – Asset and Data Security
- Quality of Services – Online Facilities
- Quality of Services – Communication
- Quality of Services – Member Feedback

For each area we consider a number of reports or metrics on a quarterly or annual basis and for each one we conclude whether it is:

GREEN - we are satisfied with the metric;

AMBER - we have raised an action or a challenge for TPI and we are happy with the progress made on the implementation of any changes or;

RED - we have raised an action or a challenge for TPI and we consider that TPI needs to make more progress in respect of the implementation of any changes.

This year we have decided to colour code any challenges outstanding during the year as well as individual metrics, in order that we can make the status of those challenges clearer. The results of our considerations of these areas this year are shown on pages 5 to 20.

The Chair's Introduction

The most significant area of change that the FCA intends to introduce is to the process that IGCs must follow when carrying out comparisons against a sample of other schemes and other investment pathway funds. Under the new proposals all schemes will be required to publish a set of data so that other schemes can carry out their comparisons. We consider that the reason for this change is that schemes have had trouble obtaining the necessary data. Until such time as the new requirements are implemented, we are required by the FCA to continue to follow the process introduced in 2022. For this year's report we have again made requests for data from five schemes and received a data submission from two of them. The results of the comparisons are that **we did not find that the comparator scheme or investment pathway type funds that we reviewed provided better Value for Money overall**. Full details of our analysis can be found in the section entitled Value for Money Comparisons on page 22.

As I noted in previous years, the remit of your IGC has been extended to review the Value for Money of the Investment Pathways that TPI provide to members. On page 29 you will find a description of Investment Pathways and how they have been implemented by TPI. Generally, within my report, all of the findings apply equally to TPI's AE scheme and to Investment Pathways – any Investment Pathway specific conclusions can be found in that section too.

During the year there has been further work within the True Potential (TP) group to further transform the business in response to the evolution of the regulatory landscape, especially Consumer Duty, strengthening governance structures with an expansion in the number of staff and restructuring to focus more on TP groupwide activities. The IGC continues to welcome the steps that TP are taking to strengthen the business and work collegiately with your IGC – it is encouraging to see the strong focus on governance and customer outcomes and that TPI have significantly resourced a number of teams to drive this. It is however, noted that these steps, whilst the right thing to do, have not provided an immediate outcome to some of the challenges that the IGC raised to TPI previously. Whilst it recognises the positive direction of travel and looks forward to seeing changes in the year 2026 report, your IGC has concerns that for year 2025 more expedient progress was still required and as a result you will see in our report some metrics that are graded Amber or Red to reflect this. Nevertheless, having reviewed all of the Value for Money Criteria and the Value for Money Comparisons, the opinion of the IGC is that the overall status is **GREEN** and so **the AE scheme and the Investment Pathways provide Value for Money to members**.

Each year we conduct a survey of members; for this year we were pleased to find that the results of the survey continued to be good. An analysis of the survey results and the actions we and TPI are taking to improve them can be found on page 25.

We have continued to monitor the implementation of TPI's policies and procedures covering Environmental, Social and Governance (ESG) investing. Further details of our ESG reviews can be found on page 30.

I would like to thank all the members of the committee for all their support throughout the year and to TPI who continue to provide first class support to enable us to do our jobs on your behalf. We hope that you find this report useful. If you have any feedback for the IGC on the report or on any aspect of the service that you receive from TPI, please email the committee at: IGC@tpllp.com

Richard Curry
Independent Chair

Costs and Charges

Whilst we would point out that costs do not necessarily equate to value, the IGC considers that the most important factor when assessing whether members in the scheme are receiving Value for Money are the cost and charges that they pay to receive the scheme services. The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Costs incurred by members in the workplace scheme (including direct and indirect costs within the funds) for default services in comparison to the regulatory cap and other providers	Annual	Red
Costs incurred by members using Investment Pathways	Annual	Green
Costs incurred by members in the scheme for optional services	Annual	Green

The total annual cost for a typical AE member invested in the main default fund (True Potential Global Managed - "TPGM") as at the end of 2025 was **0.65%** including transaction costs, **0.72%** excluding transaction costs. The charge excluding transaction costs is below the cap on charges for AE default funds of 0.75%, although this fact, on its own, does not necessarily mean that the scheme is offering Value for Money. The charge is made up of the following components:

- **Ongoing Charges Figure: 0.32%** - this is the main charge levied by the fund manager and covers the actual day-to-day costs of running the fund.
- **Platform Charge: 0.40%** - this is the charge that TPI levies for operating each account, including the custody of the assets, administration and the online service.
- **Transaction Costs: -0.07%** - this is the total cost of transactions within the fund as calculated using a formula determined by the FCA, this year that was -0.07% which indicates that the execution of transactions had the effect of slightly reducing overall charges.

The average investment value for active members in the scheme at the end of 2025 was £9,270. In pounds and pence, the total cost per annum for a member with the average sized pot invested in the main default fund was **£60.26**

The following table shows the fund management charge, transaction costs and total charge (including the 0.40% platform charge) for each of the investments available to AE members and investors in Investment Pathways and what the annual cost would be for the average sized investment:

Costs and Charges

Fund / Portfolio Name	Ongoing Charges Figure %	Transaction Costs %	Total Cost %	Annual Cost £
True Potential Global Managed	0.32%	-0.07%	0.65%	£60.26
Legal & General Multi-Index 3	0.31%	0.01%	0.72%	£66.37
Legal & General Multi-Index 4	0.31%	0.01%	0.72%	£66.74
Legal & General Multi-Index 6	0.31%	0.03%	0.74%	£68.22
Legal & General Multi-Index 7	0.31%	0.05%	0.76%	£70.76
TP Defensive Portfolio	0.67%	0.00%	1.07%	£99.28
TP Cautious Portfolio	0.77%	0.05%	1.22%	£113.48
TP Balanced Portfolio	0.78%	0.06%	1.24%	£115.06
TP Growth Portfolio	0.70%	0.09%	1.19%	£110.01
TP Aggressive Portfolio	0.70%	0.06%	1.16%	£107.12

To allow you to better understand the effect of charges and costs on your investment returns we have included below illustrations of the potential growth in an investment pot before and after charges, for TPGM and all of the other funds available to members. The illustrations are representative examples using typical AE member values of a £1,563 lump sum investment and £78/month regular payment invested over a working life of 35 years. The effects of charges on your potential returns are shown in the table. It shows the impact of charges on potential future values.

All the figures we have used are assuming 2.0% inflation to enable you to think of these numbers in today's terms (those future numbers, after the effects of inflation, can give you an idea of what they are worth in today's money). The figures are, of course, only an illustration: not guaranteed, nor minimums or maximums.

At end of year	TPGM		L&G Multi-Index 3		L&G Multi-Index 4		L&G Multi-Index 6		L&G Multi-Index 7	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	£2,545	£2,530	£2,546	£2,530	£2,545	£2,530	£2,545	£2,530	£2,545	£2,530
2	£3,548	£3,510	£3,550	£3,510	£3,549	£3,510	£3,549	£3,510	£3,548	£3,510
3	£4,558	£4,490	£4,562	£4,490	£4,562	£4,490	£4,561	£4,490	£4,560	£4,490
4	£5,587	£5,480	£5,583	£5,470	£5,582	£5,470	£5,581	£5,470	£5,579	£5,470
5	£6,624	£6,470	£6,622	£6,460	£6,622	£6,460	£6,620	£6,460	£6,618	£6,460
15	£17,750	£16,600	£17,810	£16,600	£17,800	£16,600	£17,790	£16,600	£17,770	£16,600
25	£31,170	£27,800	£31,130	£27,600	£31,220	£27,700	£31,180	£27,700	£31,140	£27,700
35	£47,720	£40,400	£47,770	£40,100	£47,750	£40,100	£47,760	£40,200	£47,780	£40,300

Costs and Charges

At end of year	TP Port Defensive		TP Portfolio Cautious		TP Portfolio Balanced		TP Portfolio Growth		TP Port Aggressive	
	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted	Before charges and costs deducted	After all charges and costs deducted
1	£2,552	£2,530	£2,544	£2,520	£2,545	£2,520	£2,543	£2,520	£2,543	£2,520
2	£3,546	£3,490	£3,552	£3,490	£3,552	£3,490	£3,547	£3,490	£3,547	£3,490
3	£4,561	£4,460	£4,562	£4,450	£4,562	£4,450	£4,564	£4,460	£4,564	£4,460
4	£5,579	£5,420	£5,584	£5,410	£5,585	£5,410	£5,583	£5,420	£5,582	£5,420
5	£6,618	£6,390	£6,620	£6,370	£6,621	£6,370	£6,624	£6,390	£6,623	£6,390
15	£17,780	£16,100	£17,830	£16,000	£17,840	£16,000	£17,820	£16,100	£17,810	£16,100
25	£31,150	£26,300	£31,180	£25,900	£31,190	£25,900	£31,160	£26,200	£31,150	£26,200
35	£47,700	£37,300	£47,700	£36,500	£47,700	£36,400	£47,700	£37,100	£47,600	£37,100

Notes:

1. Projected pension pot values are shown in today's terms and have been adjusted for the effects of inflation.
2. The starting pot size is assumed to be £1,563.
3. Inflation is assumed to be 2.0% each year (this rate is determined by the FCA).
4. Inflation that is higher than the assumed rate of growth will reduce what you could buy in the future with the amounts shown.
5. Contributions (£78/month) are assumed from age 25 to 60 and increase in line with assumed earnings inflation of 3.0% (this rate is determined by the FCA).
6. Values shown are estimates and are not guaranteed.
7. The projected growth rate for each fund is estimated in accordance with FCA guidance.
8. Source TPI.

There is one challenge relating to Costs and Charges outstanding during the period, which is shown below.

Challenge	Status
Consider a reduction in the scheme costs	Red

In 2020 we raised a challenge for TPI to provide a roadmap for when the assets under management would have grown sufficiently to allow them to reduce the costs to members of the scheme. TPI responded to say that they would review the costs once the AE proposition holds £750m of assets under management; this milestone was reached in 2023 and the IGC raised a challenge with TPI for them to consider a reduction in the scheme costs.

Last year we changed the status of the costs and charges metric to Red, as we had not received a response to this challenge and we believed that this challenge is made more important by the proposed VFM comparison detailed in the FCA's consultation paper on a new Value for Money Framework - CP24/16 (see page 31). TPI has carried out reviews of costs and have decided to introduce tiering to the platform charge in 2026. The IGC feels that this does not answer the challenge, as this tiering will only reduce the costs of around 200 AE members because it only affects pots greater than £150k in value. In light of this we have continued to rate this challenge and the associated metric as Red.

The IGC is aware of work being undertaken by TPI to consider the AE value-offering and look forward to seeing the outcome of this across the course of next year's report.

Investment Performance

A principal obligation of the IGC is to review the principles underpinning TPI's investment policies and practices, and to assess the performance of all funds in which scheme members have invested. The suitability of fund selections and the risk-adjusted return on their investments over time are key components in the Value for Money that members receive.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Performance (in absolute terms and risk adjusted) of each of the funds within the scheme after fees compared to cash returns and industry benchmarks	Quarterly	Green
Details of TPIs ESG, ethical and stewardship policies (or TPI's reasons for not having such policies)	Annual	Green
Details of TPI's implementation of their ESG, ethical and stewardship policies.	Annual	Green

The focus of attention of the IGC has been on evaluation of the performance of the fund that members are invested in by default; the True Potential Global Managed Fund (TPGM). As of 31st December 2025, 86% of all members' assets were invested in TPGM. Assets under management in this fund at the end of the reporting period was £1,373m (2024 = £1,043m).

The gross return on investment in this fund for the year was 13.0% (2024 = 9.0%). After adjusting for inflation of 3.4% (CPI, 2024 = 2.6%) and the platform charge (0.4%) the net real return on the fund was 9.2% (2024 = 6.0%). The IGC is pleased to see the fund make an increased positive return this year and hopes that net real returns will continue to improve as inflation falls in the future. The IGC also recognises that pensions should be regarded as medium to long term investments and that returns will fluctuate from year to year.

True Potential has provided the following commentary on the performance of TPGM:

"In 2025, global equities (as measured by the MSCI All Country World Index) extended their strong performance of 2024, delivering high returns of +22.9% in local terms and +14.3% in sterling terms. Multi-asset portfolios also benefited from strong returns in global high yield corporate bonds (+9.9%, sterling terms), while global sovereign bonds were also positive, albeit to a lesser extent (Bloomberg Global Sovereign Bond Index, +4.8%, sterling terms).

Global risk assets continued to be supported by resilient global economic growth, particularly in the US, although trade tensions linked to President Trump's tariffs and broader political uncertainty weighed on confidence. That said, consumers kept spending and companies (especially in the US) kept posting healthy profits. Furthermore, companies linked to the build-out and adoption of artificial intelligence were strong performers. Inflation cooled somewhat, giving some major central banks scope to lower interest rates.

Investment Performance

The Fund benefited from an overweight to equities throughout most of the year, with a strong preference for non-US equities. The MSCI ACWI ex US Index returned an impressive 24.0% (sterling terms), its strongest year since 2009, whereas the S&P 500 delivered +9.7%. Overweight positions in Japan (+26.8%, sterling terms), the UK (+25.7%), Europe (+22.1%, sterling terms) and Emerging Markets (+34.3%, sterling terms) equities all added value, supported by lower starting valuations and distinct regional themes that helped drive markets higher.

The overweight to UK Gilts was additive, with yields lower over the year as improved inflation data allowed the Bank of England to continue lowering interest rates. High yield corporate bonds remained an overweight for the Fund and performed exceptionally well, with Bloomberg Global High Yield bonds delivering +9.9% over the period. The asset class benefited from attractive ‘all-in’ high yields and robust corporate fundamentals.

Gold, the Fund’s only alternative asset class, rose by +65% in US dollar terms, supported by strong central bank purchases, a weaker US dollar, and strong demand from retail and institutional investors.

Within currencies, sterling appreciated by 7.7% and 7.3% against the US dollar and Japanese yen respectively, while weakening by 5.1% against the euro. Partial hedging of US equities back into sterling added to performance. Unhedged European equity exposure also added value, while unhedged Japanese equity exposure detracted over the period.”

As well as reviewing the performance of the default fund, the IGC also review the performance of the other funds that employers can chose to be the default for their employees and the performance of those funds which are available through Investment Pathways or by direct member selection.

The following table shows the performance of the TPGM and all of the other funds available to AE members and Investors in Investment Pathways:

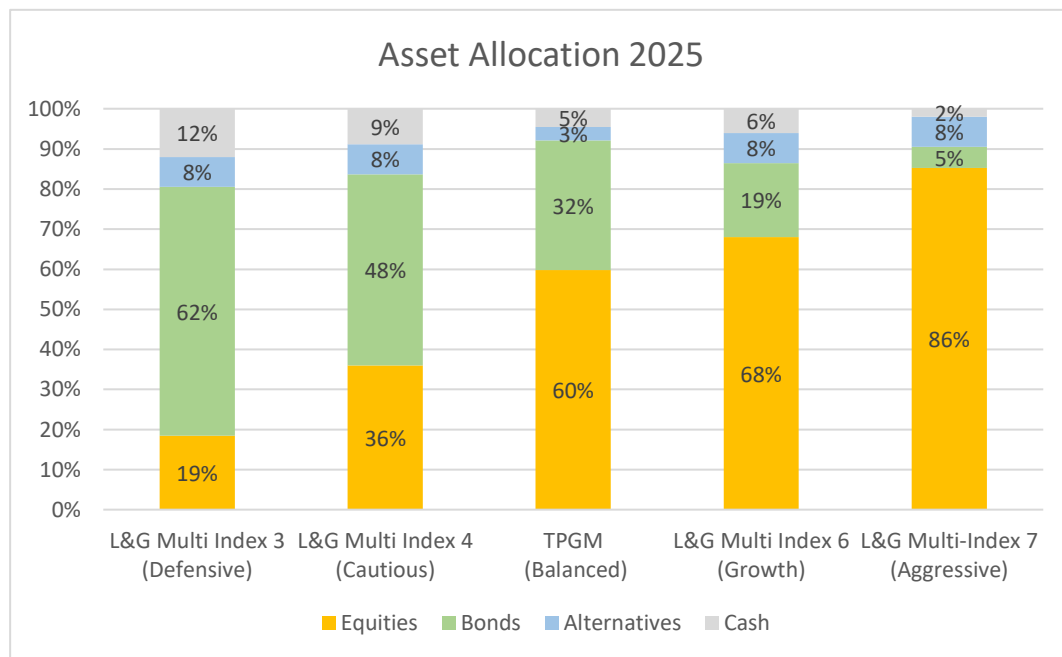
Fund / Portfolio Name	Performance %						
	5 Year	3 Year	2025	2024	2023	2022	2021
True Potential Global Managed	33.9%	33.7%	13.0%	14.5%	8.5%	-8.6%	9.6%
Legal & General Multi-Index 3	8.7%	19.4%	8.4%	10.6%	6.2%	-9.8%	3.2%
Legal & General Multi-Index 4	18.5%	24.7%	10.5%	11.2%	7.1%	-9.8%	6.2%
Legal & General Multi-Index 6	41.8%	37.5%	14.6%	14.0%	9.3%	-10.3%	12.4%
Legal & General Multi-Index 7	54.2%	47.1%	17.6%	15.9%	11.0%	-11.2%	14.5%
TP Defensive Portfolio	15.9%	22.3%	10.3%	9.9%	2.3%	-6.4%	2.8%
TP Cautious Portfolio	23.2%	27.9%	12.6%	13.1%	3.1%	-8.4%	6.3%
TP Balanced Portfolio	32.0%	34.1%	14.7%	16.2%	4.4%	-10.5%	9.8%
TP Growth Portfolio	53.8%	41.4%	16.9%	18.4%	5.3%	-11.1%	13.1%
TP Aggressive Portfolio	53.8%	46.9%	17.6%	21.7%	6.2%	-10.7%	15.6%

When looking at the performance of a fund, we also consider how the funds have performed after adjusting for the amount of risk inherent in the assets in which the fund invests. We use the volatility of investment returns, as measured by the annualised standard deviation, to assess risk. The annualised standard deviation of returns in TPGM in 2025 was 4.9% (2024 = 4.5%).

The committee’s view was that the performance of the main default fund on a risk adjusted basis was in line with the risk adjusted performance of market comparators.

Investment Performance

The IGC considers that it is very important that members review the fund in which they are invested to ensure the risk level of the fund continues to be suitable for them. The IGC's view is that the percentage of a fund that is invested in the highest risk assets (Equities) gives a very good indication of the level of risk of a fund. The following chart shows the asset allocation of the five default funds at the end of 2025:



The above chart also shows the risk rating attributed by TPI to each of the funds in brackets, and the following explains the types of investors that should be considering funds with each of those risk ratings:

Defensive - The Defensive Investor may be very sensitive to short-term losses. A Defensive Investor's potential aversion to short-term losses could compel them to sell their investment and hold a zero-risk investment instead if losses occur. A Defensive Investor would possibly accept a lower long-term return in exchange for less frequent changes in portfolio value.

Cautious - The Cautious Investor may be sensitive to short-term losses. A Cautious Investor's potential aversion to losses could compel them to shift into a more stable investment if significant short-term losses occur. A Cautious Investor is usually willing to accept somewhat lower returns to lower their exposure to risk.

Balanced - The Balanced Investor may be somewhat concerned with short-term losses and may shift to a more stable option in the event of significant losses. The balance of investment risk and return are typically of equal importance to the Balanced Investor.

Growth - The Growth Investor may be willing to accept high risk and chance of loss to achieve higher return on his or her investment. Significant losses over an extended period may prompt the Growth Investor to shift to a less risky Investment.

Aggressive - The Aggressive Investor usually aims to maximise long-term expected returns rather than to minimise possible short-term losses. An Aggressive Investor values high returns relatively more and can tolerate both large and frequent fluctuations through time in portfolio value in exchange for a higher return over the long-term.

Quality of Services – Product Governance

Where funds within the scheme are managed by TPI, they must operate an investment process whereby they review the way that the scheme is invested and make changes as required. As per the FCA CIS regulatory regime, and in common with all UK Collective Investment Schemes (CIS), each fund that TPI manages has an Investment Objective and Policy which in conjunction with accompanying rules as laid out in COBS sets the parameters within which the fund is managed.

The IGC check that the Relevant Products are designed, managed and executed in the interests of Investors and that the process of investment is properly governed. TP has formed a Group Product Governance Committee (GPGC) that reviews the design, characteristics, implementation and ongoing lifecycle of all its products and the IGC reviews any relevant GPGC reports and provides challenge and guidance where appropriate. The IGC receives reports from TP's Investment Management Team on the operation and governance of the invest process and receives confirmations that the default funds and investment pathways continue to be designed and executed in the interests of Members and have clear statements of aims and objectives. The IGC also reviews any breaches of the FCA Collective Investment Scheme rules to see if Members have been materially impacted.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
TPI's Product Governance Reports on design and characteristics of Relevant Products and the operation and governance of investment processes, including confirmation that default strategies and investment pathways are designed and executed in the interests of Investors and confirmation that default strategies and investment pathways have clear statements of aims and objectives.	Annual	Red
Details of any breaches of FCA Collective Investment Scheme rules in relation to the scheme	Annual	Green

During the year the Group Product function carried out a Fair Value Assessment (FVA) of the AE scheme to confirm that members are paying a reasonable price for the services that they receive. Although the criteria that are required for the FVA are slightly different to the criteria that the IGC use to assess VfM, the IGC noted the FVA assessment of the AE scheme and findings. The IGC is encouraged to see a step-change in engagement on these and looks forward to working with TPI to drive the mutual objective of good customer outcomes. The Group Product function also carried out Assessments of Value (AoV) for each of the TP funds that AE members can select and L&G carried AoV for all of their funds and in each case the funds were found to be Delivering Value.

Quality of Services – Product Governance

There is one challenge relating to Product Governance outstanding during the period, which is shown below. Note that this challenge was previously shown under Performance but the IGC's view was that it was more closely associated with Product Governance.

Challenge	Status
TPI to consider offering further default funds and consider allocating members of different ages to different funds.	Red

In 2020 we considered whether TPI should be offering further default funds to members and to consider allocating members of different ages and different crystallised status to different default funds. At the time TPI felt that the scheme was too small and agreed to review again when the AE proposition held £750m in assets under management. This milestone was reached in 2023 and the IGC raised a challenge with TPI for them to consider the default fund and life styling position.

Last year we changed the status of the product governance metric to red, as we had yet to receive a response to this challenge. Given the IGCs view of the importance of this challenge, especially given the proposed VFM comparison detailed in the FCA's consultation paper on a new Value for Money Framework - CP24/16 (see page 31) and the fact that we have still not received a response to this challenge, we have rated the challenge and its associated metric as Red.

Quality of Services – Administration

In order that the pension contributions of its members can be invested and administered securely and appropriately, TPI must provide a range of effective administrative services. This is a critical part of our criteria in assessing Value for Money; low costs do not necessarily mean good overall service. Delivering a high quality of service at a reasonably low cost is the challenge TPI must meet and the duty of the IGC to appraise.

Each quarter we review a number of reports covering various aspects of TPI administration. Using the dashboard developed for us by TPI we are able to see, by each individual administration team, the number of times that internal performance targets were not met and the number of incidents. We are able to drill down into any area to understand the nature of issues and the steps taken to resolve if required.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Initial response rate to calls, emails or secure messages	Quarterly	Green
Timeliness and accuracy of investment of member contributions	Quarterly	Green
Timeliness and accuracy of fund transactions	Quarterly	Green
Timeliness and accuracy of changes to member requirements or personal data	Quarterly	Green
The timeliness and accuracy of investment withdrawals and pension payments	Quarterly	Green
Range of choices available at retirement	Quarterly	Green
Experience and expertise of administration staff	Annual	Green
Any breaches in the regulations of the FCA, HMRC, DWP or TPR in relation to the administration of the scheme.	Annual	Green

During the year, the IGC received an update on the administration team's training framework, which is now managed by the new Group Compliance Operations Team. Mandatory training is delivered primarily via LearnUpon, supplemented by MetaCompliance for data and cybersecurity modules. In total, staff completed 22 mandatory courses during 2025, alongside tailored, role-specific training. The Committee also noted that TPI operations expanded from 155 to 200 staff with auto-enrolment responsibilities shared across almost the entire team and was pleased to see that improved employee benefits have supported the successful recruitment of experienced personnel to maintain service quality.

There is one challenge relating to Administration raised during the period, which is shown below.

Challenge	Status
TPI to reconsider the commissioning of independent third-party report on the AE scheme systems and controls	Closed

Quality of Services – Administration

Some firms engage a third-party auditor to review the systems and controls that they have in place to ensure that they are comprehensive and have operated as designed throughout the year. The IGC felt that this would be useful to the IGC when assessing the quality of service. When this was first raised, TPI felt that it would not be cost effective to do given the same size of the scheme. As the scheme has grown, we have asked TPI to reconsider their position. TPI have responded that they believe that the Internal Audit reviews that they conduct will effectively serve the same purpose and we have received a summary of the findings of all Internal Audits during the year, highlighting those that are related to systems and controls. The IGC is satisfied with TPI's response to this challenge and it is now closed.

Quality of Services – Asset and Data Security

To provide the pension services of the scheme to members, TPI must securely hold the data, assets and money belonging to the scheme members and ensure that client data is only used for the purposes agreed with clients and that it is not accessed by unauthorised persons.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Report on client asset security arrangements	Annual	Green
Report on data security arrangements	Annual	Green
Details of any Data Security breaches in relation to the scheme	Quarterly	Green
Details of any FCA breaches in relation to the scheme	Quarterly	Green

The IGC review on a quarterly basis every potential breach of client asset or data security rules, regardless of whether it directly impacts AE members. In each case we review to see if we believe that further action should be taken to ensure the security of AE members assets and data. The IGC is happy that none of the breaches identified were cause for concern.

During the year, the Committee received a detailed update from TPI's Head of Client Money and Assets (CASS), focusing on the annual external CASS audit, breach trends, and core control developments. The IGC reviewed the findings of the PwC review, noting that the final auditor report remained an "Except for" opinion and key metrics demonstrated sustained multi-year operational improvement. The number of breach categories ("items") held steady, maintaining a positive downward trend over recent years, while total individual breach volumes fell significantly, with zero breaches identified by the external auditor. Furthermore, both the total asset value impacted and the count of high-value breaches decreased substantially year-on-year, alongside a slight reduction in average resolution times.

The Committee also evaluated the four audit control findings (three medium, one low), noting no areas of significant concern. In addition, the IGC received an update on Project Cascade, a strategic initiative to automate CASS reconciliations across three phases, covering external client money, internal client money, and asset reconciliations alongside CMAR reporting. With Phase 1 successfully reaching the parallel run stage, the IGC concluded that the scheme's CASS controls remain robust and progress over the year was encouraging.

During the year, the Committee received a comprehensive security update from TPI's Head of Security, who joined in April 2026. The IGC reviewed the structure of the six-person team, split into Information Security (governance, risk, and compliance) and Cyber Security (technical engineering). The Committee noted significant progress on core certifications, with TPI on track to regain Cyber Essentials+ and achieve ISO27001 by the end of the year, supported by the implementation of a new Governance, Risk, and Compliance (GRC) tool. Operational resilience has been strengthened through executive incident response training, ongoing evaluation of email security solutions, and active performance monitoring of the 24/7 Security Operations Centre (SOC), which will be tested via covert 'Red Team' and collaborative 'Purple Team' exercises led by Northwave Cyber Security.

Quality of Services – Asset and Data Security

The IGC also examined TPI's proactive approach to AI-related risks and opportunities. The team is utilizing AI tools for vulnerability testing while establishing guardrails for the 250 staff using Copilot+. To counter increasingly sophisticated phishing and deep-fake threats, TPI maintains robust testing of staff to ensure that they do not respond to phishing and deep-fake attempts. The Committee was pleased to note that no significant data breaches occurred during the year, with an isolated attack on a WordPress site successfully mitigated without loss of confidential data. The IGC remains reassured by TPI's strong focus on safeguarding member data.

Quality of Services – Online Facilities

The IGC believes that it is essential that scheme members are easily able to access information about their pension and to make changes to it at a time of their choosing: this is a key service deliverable. The IGC periodically reviews the range of facilities made available to members and monitors how the service offering compares to that offered by other product providers.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Range of online facilities made available to members	Annual	Green
Quality of design and ease of use of online facilities	Annual	Green
Details of system availability	Quarterly	Green
Trend of number of unique member logins	Quarterly	Green

During the year, the Committee conducted its annual review of the online facilities available to members, evaluating design quality, ease of use, and functional enhancements. The IGC reviewed recent website upgrades presented by the Relationship Management Team, noting improved user prompts via dynamic action banners, enhanced external account aggregation, streamlined direct-to-bank functionality for ImpulseSave, and automated identity checks for online ISA withdrawals. The Committee also examined intra-product transfer capabilities, noting that transfers into the scheme are limited to defined contribution (DC) arrangements. Additionally, the IGC noted the migration to a cloud-based infrastructure, which, while backend, establishes a secure foundation for future technology and AI-driven service enhancements to benefit members.

The IGC monitors the number of times that members access the system each month as this gives us an indication of how engaged members are with the online service. We found that the number of logins rose steadily, except during the summer when there was the usual slight decline which we presume is due to members being on holiday.

Quality of Services – Communication

The IGC takes a keen interest in the nature and form of communications that TPI send to scheme members and makes available to the wider public. The quality, range and appeal of its communications are important components in its endeavour to serve the needs of its members and to generally promote the value of saving into a pension scheme to enable savers to fulfil their financial and lifestyle goals in retirement.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Details of all communications to members by TPI.	Quarterly	Green
Assessment of effectiveness of engagement campaigns	Quarterly	Green
Clarity and content of annual benefit statements	Annual	Green
Number of members without current contact details and steps taken to trace them	Annual	Amber
Trend of contributions including transfers in and impulse saves	Quarterly	Green

During the year the IGC received a presentation covering the client communications flows, showing all of the communications sent to AE members, their purpose and the timing or trigger for each communication. The IGC was impressed by the scope of the communications and the extent of their automated nature. The IGC raised a number of queries on the communications which were all satisfactorily resolved. The IGC concluded that the communications flow process was comprehensive and well designed.

The IGC also reviews other communications that are made available. These include:

True Insight - A quarterly magazine which includes expert investment commentary and an overview of portfolio allocations and performance.

Morning Markets Videos – 108 videos with 75k views on YouTube in 2025. The content includes daily investment updates and analysis of major world events.

The Do More with Your Money Podcast - 12 podcasts with 38k views on YouTube in 2025. The content includes hour long episodes providing money information, conversational discussions and opportunities for clients to engage in Q&A sessions.

The IGC has recorded a podcast that introduces the work of the IGC and gives some tips to members on what they can do to maximise their Value for Money. That podcast is available when all new members login and can be found [here](#).

Quality of Services – Communication

There is one outstanding challenge related to Quality of Services – Communication which is shown below.

Challenge	Status
Develop strategy for determining clients no longer contactable and taking steps to trace them	Amber

The IGC is concerned that there are some members who are no longer contactable as their email address is invalid; in such situations the member could lose the connection to their pension. The IGC raised a challenge to TPI to develop a strategy to determine which clients are no longer contactable and take steps to trace them. Last year we decided that, although TPI had a strategy agreed with IGC to determine clients that were no longer contactable using “bounced” emails and the steps that should be taken to trace any such clients, that process was not fully implemented and so we rated the associated metric as Red. During the year TPI has made further progress and is implementing a tracing service supplied by third party data agency. The IGC feels that this solution, once implemented, will produce good results and in recognition of this progress it has decided to rate the challenge and its associated metric as Amber.

Quality of Services – Member Feedback

The IGC will continue to make an independent assessment of the quality of service delivered to members and consider the extent to which it may be regarded as good Value for Money. However, a comprehensive assessment cannot be completed without feedback from members. The more we can understand your motivations to engage with the AE scheme and any barriers to engagement, the more we, alongside TPI, can do to serve your interests and evaluate outcomes of any activity we initiate. That is why it is important that we seek, and you provide, feedback on the services that TPI provides.

The following shows details of the reports and/or metrics that the IGC use to review this area. The traffic light status shows our overall assessment of the status over the reporting period:

Report/Metric	Frequency of review	Status
Results of member surveys	Ad-hoc	Green
Details of member complaints	Quarterly	Green
Review of direct feedback to the IGC from members	Quarterly	Green
Feedback from clients transferring out	Quarterly	Amber
Trend of opt-outs and transfers out	Quarterly	Green

In 2020 the IGC conducted a survey of members and found that it was very useful; we decided to repeat the process in 2021 and in all subsequent years if feasible. Details of the results of the latest survey of you, the members and the steps that are being taken to respond to your feedback can be found in the Member Survey section on page 25. TPI have reviewed the individual responses provided and have developed recommendation to improve the service provided.

The IGC reviews details of any complaints raised by members to TPI, to determine if these could be representative of an issue which is affecting the Value for Money that members receive. In the event that you would like to make a complaint, or provide any other feedback, directly to the IGC, you can do so by sending an email to us through the IGC mailbox: IGC@tpilp.com

There is one challenge relating to Quality of Services – Member Feedback which is shown below:

Challenge	Status
TPI to explain the increase in the number of transfers out	Amber

When a member transfers out, we look at any reasons given to see if this is an indication of a lack of Value for Money and we review the trend of number of members that opt out of the scheme or transfer elsewhere, to see if this is an indication of dissatisfaction with the service. In 2024 the number of members transferring out increased significantly and the percentage of cases where TPI were able to obtain a reason for the transfer out declined significantly. We asked TPI to take action to restore the level of feedback received back to previous levels and challenged TPI to explain why the number has increased. Last year we rated the associated metric as Red due to the lack of progress being made to answer the challenge.

Quality of Services – Member Feedback

During the year we have seen evidence that the increase in transfers out is largely explained by the growth of the scheme and TPI has developed a strategy to determine the reason for the transfer out, which it feels is largely driven by employees moving to a different employer that uses a different AE scheme. As a result of this progress, we have decided to change the status of the challenge and its associated metric to Amber.

Value for Money Comparisons

In October 2021, the FCA issued new rules covering IGC's assessment of Value for Money (VFM). These introduced a new requirement for the IGC to compare the VFM of a requisite number of reasonably comparable third-party schemes and investment pathway funds (including those which could potentially offer better VFM).

The IGC must use reasonable endeavours to obtain and compare relevant data that we need in order to carry out useful VFM assessments in a manner which is proportionate to the likely member benefits that will result from assessing the data.

The IGC then assess the VFM of the TPI scheme by reference to the Scheme Comparators (to the extent that there is publicly, or readily, available information about the Scheme Comparators) and consider whether any of the Scheme Comparators offer better VFM.

If we find that a Scheme Comparator offers better VFM we must inform TPI and, if we are not happy with their response, consider informing the respective Employers of our findings (if the IGC believe that to do so would give material utility to Employers and/or Members).

The FCA is considering changes to the current rules for comparisons to require all schemes to publish a set of comparison data (see section headed Regulatory Developments on page 31). The IGC believes that these changes are due to the difficulties that schemes have had obtaining appropriate comparison data. As we near the publication date of this report, the FCA have published a further consultation paper on proposed changes to the rules, with an indication that the new rules will be introduced in 2027 and will apply to assessments carried out in 2028. In the meantime, we are required to continue to comply with the existing rules.

In accordance with our policy, we wrote to five schemes requesting comparison data; of these only two provided a data return; the others either declined to make a return or did not respond. In respect of Investment Pathways, as neither of the respondents provide Investment Pathways, we have once again carried out a comparison against the "life styling" funds of the scheme nearest in size to TPI's that provided a return, with similar investment objectives to the Retirement Objectives of Investment Pathways.

The IGC reviewed all of the data received and colour coded them as follows:

	No response received
	TPI is the same as the Comparator
	TPI is worse than the Comparator
	TPI is better than the Comparator

To assess a comparator as offering better VFM than TPI, we would be looking for an assessment that was mostly **RED**. The results of our Scheme Comparator assessments were as follows:

Value for Money Comparisons

	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
A) Investment Performance					
Risk adjusted return 1 year					
Risk adjusted return 3 year					
Risk adjusted return 5 year					
B) Charges					
Annual Employee Cost					
Annual Employer Cost					
Total Annual Cost					
C) Quality of Services					
No of fund options available					
Tax relief at source?					
Flexi Access Drawdown available?					
Salary sacrifice available?					
Other investment options available?					
Minimum investment other options					
Telephone service hours					
Online portal capabilities					
Rewards Program					
Frequency of Engagement					
Trustpilot rating					
Member Net Promoter Score					
No of reportable events					
Value of detriment					
Regulator Enforcement					

Both of the comparison schemes had better long-term risk-adjusted returns, but both had higher costs and slightly worse quality of services. In conclusion we determined that:

*Although we found that some schemes were better than TPI in a few respects and could potentially provide better Value for Money for those members for whom only those aspects were important, **there was no scheme that appeared to provide better Value for Money overall.***

Value for Money Comparisons

The results of our Investment Pathways comparisons using the Life styling funds of the scheme closest in size to TPI's and the Investment Pathway Funds are as follows:

	Retirement Outcome			
	1	2	3	4
A) Investment Performance				
Risk adjusted return 1 year				
Risk adjusted return 3 year				
Risk adjusted return 5 year				
B) Charges				
Annual Employee Cost				
Annual Employer Cost				
Total Annual Cost				
C) Quality of Services				
No of fund options available				
Tax relief at source?				
Flexi Access Drawdown available?				
Salary sacrifice available?				
Other investment options available?				
Minimum investment other options				
Telephone service hours				
Online portal capabilities				
Rewards Program				
Frequency of Engagement				
Trustpilot rating				
Member Net Promoter Score				
No of reportable events				
Value of detriment				
Regulator Enforcement				

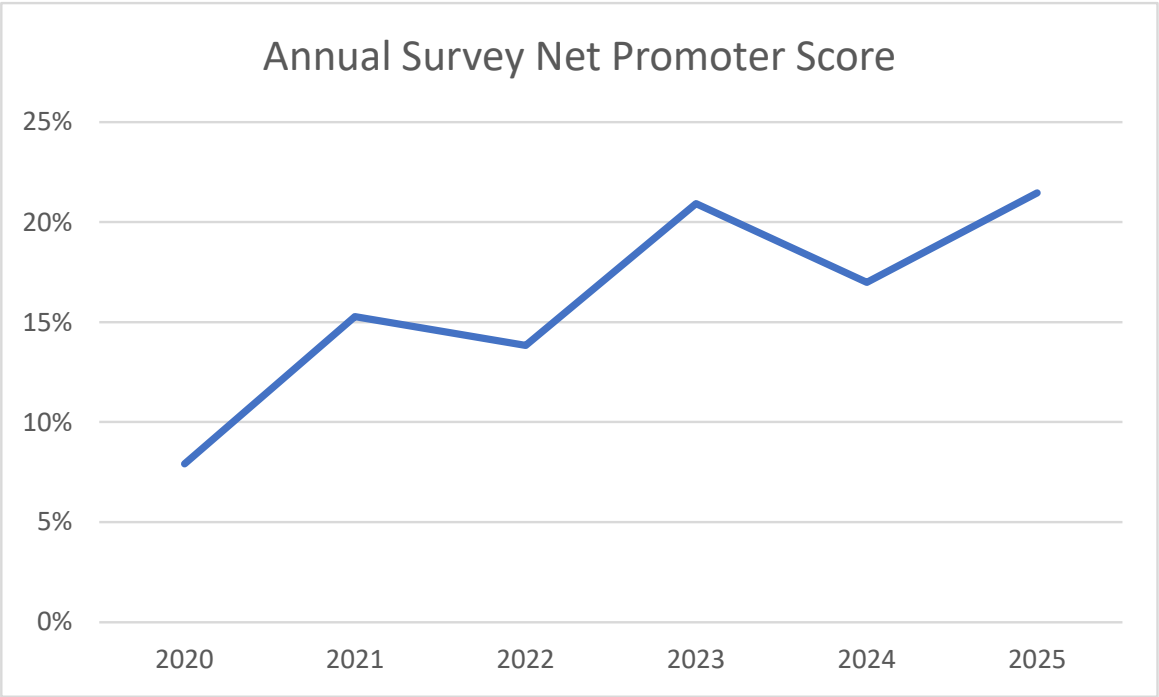
Most of the comparison funds had better 5-year risk-adjusted returns but all had higher costs and slightly worse quality of services. In conclusion we determined that:

Although we found that the comparison funds were better than TPI in some respects and could potentially provide better Value for Money for those members for whom only those aspects were important, the alternative funds did not appear to provide better Value for Money overall.

Member Survey

The IGC started to survey the opinion of members in 2020. Last year the number of responses fell and we have worked with experts within TPI to determine what could be done to improve the response rate and the information that could be obtained from the survey. As a result of that work, we redesigned the survey to have fewer questions (7 vs 14 last year) but covering the same areas to preserve the value of our survey history and added three more opportunities to provide written feedback. Unfortunately, revised guidance on the use of prize draws meant that we could not offer inclusion in a prize draw as an incentive to participate for those members who had opted out of marketing. As a result, there was a decline in the number of completed responses (884 vs 1,101 in 2024). We estimate that, were it not for this restriction, the number of responses would have been 30% higher.

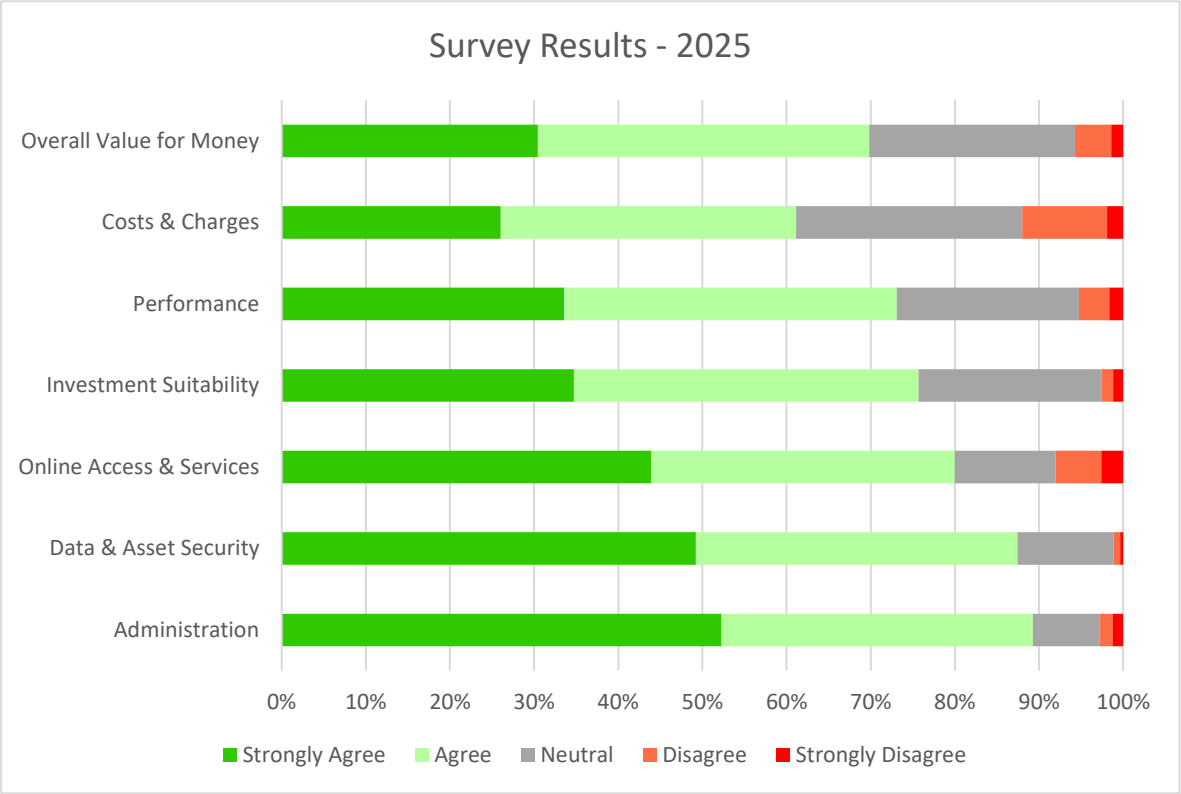
The IGC considers that the Net Promoter Score (NPS) is an important metric of Member satisfaction with the service that they receive. The NPS is calculated from the responses to the question “How likely is it that you would recommend True Potential to a friend or colleague on a scale of 0 to 10”. The score is calculated by deducting the number of people who answered 0 to 6 from the number that answered 9 or 10. This year the Net Promoter Score has increased to 21.5% (2024: 17%, 2023: 14%). The IGC feels that this is an encouraging outcome. The following chart shows how the Net Promoter Score measured in the survey has changed over the 6 years that we have been undertaking the survey; this shows steady progress.



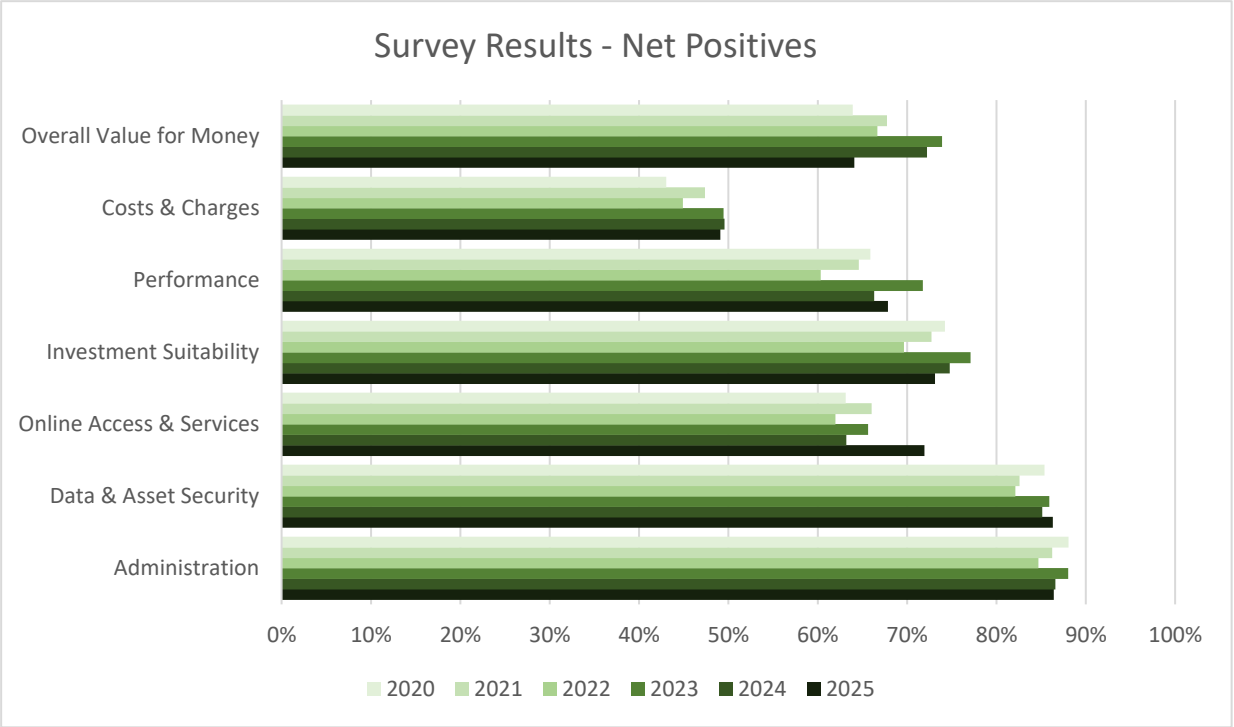
The second most important metric is the response to the question “Taking everything into consideration, I am very happy with the Value for Money I receive on my pension account”. The number of people who agree or strongly agree with this statement was 64% which has decreased slightly since last year (2024:72%). The IGC feels that, despite the slight decline, this result is encouraging to the IGC as it confirms that the view of members on the main area that the IGC is required to assess continues to be aligned to the views of the IGC.

Member Survey

The following chart shows the response in respect of each of the questions.



The following chart shows how the net positive rate (the percentage of people who agree minus the percentage that disagree) for each category has changed in 2025 compared to 2020-24:



Member Survey

The three areas in which most net positive feedback was received were:

- **Administration (86%)** – “My workplace Pension is handled in a smooth, efficient and professional manner”.
- **Data & Asset Security (86%)** – “I am confident that True Potential take all reasonable steps to protect the security of my personal data and assets”.
- **Investment Suitability (73%)** – “I am confident that my workplace pension contributions are invested in suitable funds”.

These three areas were the same ones that we received the most positive feedback in previous years with the percentages in line with previous years.

The three areas in which least net positive feedback was received were:

- **Costs & Charges (49%)** – “I understand the costs and charges I pay for my workplace pension and I believe that those costs are reasonable in relation to the services provided”.
- **Performance (68%)** – “I am satisfied with the performance of the funds in which my workplace pension contributions are invested”.
- **Online Access & Services (72%)** – “I find it easy to access the information I need when I log in and I am impressed by the range of services available to me online”.

These three areas were the same ones that we received least positive feedback in previous years, with the percentages in line with previous years.

Once again, we have asked TPI to review all of the individual responses to determine if any other improvements should be made to their service and to provide a roadmap for the implementation of those changes.

TPI have analysed all of the individual comments and found that they could be classified into one of 10 different categories. They then used AI tools to analyse and rate the sentiment conveyed by each comment. They found that the categories with the most positive sentiment related to Trust, Understanding and TPI Staff. The categories with the least positive sentiment related to Login Issues and Understanding.

Following their review, TPI have identified 10 recommendations which will be shared with the relevant areas of the business:

- Introduce plain-English pension education
- Improve visibility of costs, charges and contributions and signposting to advice where applicable
- Provide clearer retirement planning tools and projections
- Review login and authentication journeys
- Simplify navigation to key pension information
- Improve visibility of support channels when digital journeys fail
- Explain charges in plain English
- Proactively communicate how fees support the service provided
- Improve the way in which they showcase performance
- Proactive sharing of client feedback

TPI believe that these recommendations should lead to higher client confidence, improved value perception, reduced client effort and stronger client trust.

Member Survey

The IGC recognises the fallibility of conclusions drawn from analysis of these results. Although the feedback is very much in line with previous years, the number of responses has declined and only represent a small percentage of the members. Overall, the feedback from this survey is considered satisfactory and does not indicate any serious misgivings about the quality of service delivered by TPI and the Value for Money received.

Investment Pathways

Investment Pathways are a service that must be offered to all non-advised FCA regulated pension scheme members who start to draw down on their pension. Investment Pathways are made available to all AE members as well as any other TPI client that goes into drawdown on their pension and does not have their own adviser.

The Investment Pathways service takes a member entering drawdown through a series of guided questions to determine what they want to do with their investments. The outline of the process and the text of the questions must follow rules laid out by the FCA. Initially members have three options to choose from:

1. Remain invested in their existing investments.
2. Self-select their own investments.
3. Follow Investment Pathways

Those members that chose Investment Pathways then choose which Retirement Objective best aligns to their needs:

1. I have no plans to touch my money in the next five years.
2. I plan to use my money to set up a guaranteed income within the next five years.
3. I plan to start taking my money as a long-term income within the next five years.
4. I plan to take out all my money within the next five years.

The provider of the Investment Pathways solution then invests their pension into one of 4 Investment Pathway Funds, depending on the Retirement Objective chosen.

In 2019 the FCA extended the remit of all IGCs to review the Value for Money provided by Investment Pathways as well as AE schemes. TPI launched their Investment Pathways solution in 2021 and since then we have monitored the take-up of the Investment Pathways solution on a quarterly basis.

In 2025, TPI received 46,660 client direct drawdown requests. Of these a total of 4,299 were not advised and therefore eligible for the Investment Pathways process. Of these 20 elected to follow the Investment Pathways route. The following table shows, for each of the Retirement Objectives, which fund TPI has selected to map to that objective and the number of members that selected that option in 2025:

Retirement Objective	Investment Pathways Fund	Risk	Members
1	True Potential Global Managed	Balanced	4
2	Legal & General Multi-Index 4 Fund	Cautious	6
3	True Potential Global Managed	Balanced	20
4	Legal & General Multi-Index 3 Fund	Defensive	33

The take-up of Investment Pathways by members has again been very low. This is probably due to the fact that TPI allow customers to remain invested in their chosen fund or portfolio, which is the option that the vast majority of members chose instead of investment pathways.

The IGC are aware of TPI's ongoing work to refresh the Investment Pathways solution. In light of the continued extremely low uptake of Investment Pathways TPI are rethinking the offering to provide a reinvigorated suite and optionality (subject to regulatory parameters).

Overall, the IGC are satisfied with the design and operation of TPI's Investment Pathways solution and found that they provided Value for Money.

Environmental, Social and Governance (ESG) Policy

The FCA require the IGC to assess and report on the quality and adequacy of TPI's policies (or lack thereof) which affect the workplace pension and investment pathway solution products in respect of the following matters:

- Financially material environmental social and governance (ESG) issues
- Non-financial matters (any concerns that the members may have about the impact of their investments that might not be financially material, for example ethical concerns)
- Stewardship (the exercise of rights or engagement activities in relation to the investments attributable to relevant policyholders or pathway investors)
- Other financial matters (anything else that is financially material and would pose a particular and significant risk of financial harm to members)

The FCA have determined that, when assessing policies, the IGC need to consider whether:

- the policy sufficiently characterises the relevant risks or opportunities.
- the policy seeks to appropriately mitigate those risks and take advantage of those opportunities.
- the firm's processes have been designed to properly take into account those risks or opportunities.
- the policy is appropriate in the context of the expected duration of the investment; and
- the policy is appropriate in the context of the main characteristics of the actual or expected relevant policyholders or pathway investors.

The IGC reviewed the final version of TPI's sustainability policy (which covers ESG investing) in 2021 and reviewed an update of the policy in 2024. In summary, TPI's policy is to use an assessment framework to rate the level of ESG compliance of each of the fund managers and their individual funds. When making an investment decision, the ESG ranking will be considered only if funds meet all of TPI's investment selection criteria and are otherwise equal to other available funds. TPI will only seek to mitigate ESG risks and take ESG opportunities if it is confident that by doing so it will improve investment returns to members.

The IGC noted that TPI generally use index tracking investments to reduce the costs to members and the FCA have acknowledged that the scope to deploy ESG investment strategies is much more limited than when directly investing in companies. The FCA have indicated that in such cases the fund manager may still choose to engage in stewardship activities e.g., through exercise of voting rights or engaging directly with companies that make up the index. The IGC noted that the TPI policy was strong in respect of the use of stewardship and voting rights through its fund managers.

Arguably the most important element of ESG at present is the Environmental impact of Climate Change. The Task Force for Climate-related Financial Disclosures (TCFD) has issued requirements for all fund providers such as TPI to calculate and publish various climate related metrics in respect of the funds that they manage. The IGC has been following the work that TPI has been undertaking to meet its TCFD requirements and has reviews its calculations for the GMF on an annual basis. The IGC has also reviewed TCFD data provided by the fund manager of the other default funds. The calculations of climate impact depend significantly on the level of data coverage for the underlying investments; at present this is around 50% and the IGC feels that this level introduces too much uncertainty to make any interpretation of the calculated figures reliable. The IGC may publish details of the TCFD metrics that it monitors in future reports if it feels that the level of coverage is sufficiently high and the data will be useful to members.

In 2025, the IGC has continue to review TPI's implementation of its sustainability policy. It has reviewed the ESG assessment framework and has reviewed detailed reporting on the implementation of policy in respect of all investment decisions made during the year. The IGC's conclusion is that, in 2025, TPI's sustainability policy was appropriately implemented.

Regulatory Developments

CP 26/25 Value for Money: A framework on metrics, standards and disclosures.

In 2023 the FCA issued a consultation paper (CP23/4) which proposed further changes to the way that IGCs assess Value for Money. This development is being made in conjunction with the Department for Work and Pensions (DWP) and The Pensions Regulator (TPR) and would apply to all auto enrolment schemes, not just those regulated by the FCA.

In 2025 the FCA issued a further consultation paper (CP24/16) which detailed the rules that they propose to implement. The IGC had several concerns with the drafting of these new rules and submitted a detailed response to every question raised in the consultation, indicating where we disagreed with the FCA's proposals.

Early in 2026, the FCA issued CP26/1 which made some amendments to the draft rules and the IGC continued to have significant concerns. We believe that a proper assessment of the VfM of a scheme requires an assessment of the balance of performance, risk, cost and service and we believe that the new regulations do not allow IGCs to perform such a balanced assessment. The strong emphasis is on historical gross performance; the rules generally only allow IGCs to take into account risk, cost, and service quality to downgrade an assessment. A low cost, low risk scheme with excellent service quality could, under these rules, be rated as poor value for money in a growth market unless it has performed well despite its low-risk nature. We responded again to the consultation paper highlighting our concerns.

In July 2026, the FCA issued CP26/25 which made some further amendments to the draft rules without, in our view, addressing any of the fundamental concerns that we raised.

Pension Dashboard

In 2022 the FCA consulted on a new framework that would require all pensions providers to supply data on pensions held by them to consumers via Pension Dashboards. The Pension Dashboards would enable consumers to quickly find all of the pensions that they had, reducing the risk that people become disconnected from their pensions. The IGC welcomes this development as it believes that it will reduce the risk that members that do not keep their contact information up to date will lose contact with the benefits that they are entitled to.

The rules were intended to be implemented in phases, starting in August 2023. In May 2023, the FCA announced a delay to the implementation due to the extent of the systems developments required and in June 2023 the FCA confirmed that Pension Dashboard will not be fully operational until October 2026.

The current position is that the deadline for pensions providers to connect to the dashboard remains October 2026, however the public launch is expected to be during the 2027/28 financial year, to allow time for extensive consumer testing. TPI has a project underway to implement their connection to the dashboard using a third-party Integrated Service Provider; this project is on track to meet the deadline.

Regulatory Developments

Pension Schemes Act 2026

In June 2025 the government introduced the Pension Schemes Bill, which represented a fundamental shift in government policy aimed at addressing three core structural issues in the UK Pensions Industry: market fragmentation, low investment risk-appetite, and poor consumer engagement. This bill progressed through the House of Commons and the House of Lords in late 2025 and early 2026 and received Royal Assent, becoming the Pension Schemes Act 2026 in April 2026.

The Committee continues to monitor the implementation of the Act, which introduces significant structural changes to the workplace pensions landscape. As well as changes to the Value for Money framework, which will be implemented under CP26/25 as described above, there are a number of other changes that could affect members of the TPI AE scheme, including a revised Guided Retirement duty requiring all providers to offer default retirement pathways, provisions to require small pots to be consolidated and provisions that could require schemes that are below a certain threshold to merge with other schemes. There is some uncertainty regarding the extent to which these provisions, in particular the threshold requirement, apply to the TPI AE scheme. The next steps are for the government to produce the statutory instruments which provide the detail of the ways in which the Act should be implemented.

Future Work

Over the coming year the IGC expects to undertake the following work, in addition to the routine assessments of Value for Money and monitoring TPI's responses to the challenges we have raised:

- Review the progress of the Pensions Act 2026 and analyse the potential impacts on the AE scheme.
- Review any policy statements issued by the FCA in response to CP26/25
- Continue to monitor TPI's implementation of their Sustainability Policy covering ESG matters.
- Monitor TPI's project to implement the Pension Dashboard
- Raise further challenges as and when required.

Appendix 1 – Background to the IGC

The IGC consists of five members and meets at least quarterly to review the operation of the scheme and the investment pathways. Having considered the FCA's guidance on the assessment of independence, three of the members of the IGC are considered by them and by the IGC to be Independent of TPI; John Reynolds, Richard Curry (Chair) and Vanda Ferro.

John Reynolds (Independent Member)



John Reynolds has over 25 years' experience as a pension practitioner, providing expert pension advice, consultancy and training into specialist advisory businesses across the UK.

He currently holds fellowship with the PFS, is a Chartered Financial Planner and is a Chartered Fellow of the Institute of Securities and Investments. In 2017 he completed his MSc in Financial Planning and Business Management at Manchester Metropolitan University (MMU).

Richard Curry (Independent Chair)



Richard has over 30 years of experience in the investment management industry in a variety of senior management roles at large UK financial firms. Initially Richard worked as a computer programmer in the nuclear power industry before transferring those skills to the financial sector.

During his career he has held the positions of Head of Development, Head of IT, Director of Operations and finally Chief Operating Officer; a role that he performed for 15 years before entering semi-retirement in 2018. As part of his last role Richard was responsible for the implementation, operation and governance of a pension scheme with over £300m of client assets. Richard now works part-time as a consultant and independent governance committee member.

Vanda Ferro (Independent Member)



Vanda has more than 30 years of experience in customer service, retail, and banking. Her career includes positions focused on operational management and financial administration. She worked as a manager for five years, with responsibilities in HR (including recruitment), logistics, and merchandising. She also spent 16 years as a Bank Clerk, where she handled customer service, financial reporting, and accounting tasks such as payroll and bank reconciliation.

Most recently, as an Auto-Enrolment Pension Specialist and Administrator, Vanda has set up and managed over 120 pension schemes.

Appendix 1 – Background to the IGC

Brian Shearing (TPI Nominated Member)



Brian Shearing has devoted his entire career to financial services. For over 30 years Brian has worked as a management consultant providing his expertise to pensions, investment and platforms.

In addition to a degree in mathematics and statistics he holds fellowships with the Chartered Insurance Institute (he is a chartered insurance practitioner), the Pensions Management Institute and the Institute of Directors. Brian is a member of the Pensions Policy Institute and the Association of Professional Compliance Consultants.

Sean Montgomery (TPI Nominated Member)



Sean has worked at True Potential since 2011, becoming Operations Manager in 2017 and then joining the Compliance team in 2020 before returning to the business as Platform Delivery Manager in 2026. Sean has been a key influence on various projects and brings with him a wealth of knowledge of the internal workings of the TPI organisation.

Glossary

Term	Meaning
AE	Auto-enrolment
AUM	Assets under Management
CASS	FCA Client Assets Rulebook
COBS	FCA Conduct of Business Rulebook
ESG	Environmental, Social and Governance
DWP	Department for Work & Pensions
FCA	Financial Conduct Authority
HMRC	HM Revenue & Customs
IGC	Independent Governance Committee
NPR	Net Promoter Rate
TCFD	Task force for Climate-related Financial Disclosure
TPI	True Potential Investments LLP, the provider and operator of the True Potential Pension Scheme
TPGM	True Potential Global Managed, the main default fund of the TPI AE scheme
TPR	The Pensions Regulator
VFM	Value for Money



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