

Value for Money Summary

This dashboard gives you a summary of whether we think you are getting value for money from your pensions within the remit of the IGC. Much more information can be found in the pages that follow.



Do customers* get good value for money?

Yes



Costs and Charges

Are the costs and charges you pay reasonable for what you get in return?



Investment Performance

How are your investments performing?



Investment Services

Are your investments well managed?



Customer Service

What is the quality of the service Standard Life provides?



Communication and Engagement

How well does Standard Life communicate with you and keep you up-to-date with your pension?



Environmental, Social and Governance

Is enough allowance made for ESG considerations in how your pension savings are invested?



Investment Pathways

How well is your investment pathway performing?

















*when we refer to customer(s) we mean those customers who are in-scope of the Standard Life IGC. This report is for your information. You do not need to take action. However, we do recommend that you review your own pension arrangements on a regular basis and we hope this analysis helps you in doing so.

Value for Money Summary – What has changed since last year?

Why have some of the ratings changed?

In the pages that follow, we set out in increasing levels of detail, the results of the 2022 VFM analysis and what has led us to our conclusions. By way of “headlines”, we would highlight the following:

		2022	2021
Costs and Charges	We remain broadly comfortable with the level of charges, but questions remain over charges greater than 0.75% pa, and the speed of progress for those who are paying less than 0.75% pa but still more than market comparators.		
Investment Performance	Although we are happy that the majority of funds have performed well against benchmarks in tough market conditions, the medium-term fund performance against competitor funds could still be better.		
Investment Services	The implementation of the new default fund designs was thorough and comprehensive, although more could have been done to consider the “before” and “after” outcomes for some groups of customers.		
Customer Service	Service quality remained high for much of the year, although staff attrition and sickness resulted in some delays. Processing of death claims can still take a long time, but good progress has been made on tracing customers who have not notified a change of address.		
Communication and Engagement	Communication quality remains a core strength, with a number of further improvements implemented, including more tailoring of messages to customers at different stages of their lives.		
Environment, Social and Governance	Improvements have been made to the already-strong policy and governance framework in place, and also in customer communications – though not as much as the IGC would like. Becoming a signatory to the Stewardship Code is an important external validation of the progress made.		
Investment Pathways	Investment performance compares better with competitors than last year. However, charges for pots under £25,000 or over £300,000 remain relatively uncompetitive.		

As is our usual practice, we have set out a number of challenges to Standard Life for 2023, and these are set out in the next few pages. We have also highlighted a number of “Calls to Action” in areas which could prove worthwhile for some customers.

Value for Money Summary – IGC Challenges to the Firm

Key Challenges

The IGC has challenged Standard Life in the following areas:

Costs and Charges

- To review any policyholders paying higher charges as a result of commission payments to advisers where no relationship now exists.
- To take action on scheme charges that are out of line with current business terms.

Investment Performance & Services

- To ensure that long-term pension fund performance remains ahead of high levels of inflation.
- To consider, when planning the transition programme for the default funds, the 'before' and 'after' positions of different cohorts of customers, including: the costs of transition; protecting customers from detriment; and remediation if material errors are made.
- To ensure that suitable processes are in place to identify and replace poorly performing funds with sufficient speed.

Customer Service

- To resolve the resourcing issues which arose in 2022, and stabilise service performance, especially in relation to retirement demand.
- To maintain service levels during the outsourcing of any operational activities.
- To continue to develop services for vulnerable customers.

Communication and Engagement

- To continue to focus on the agility of communications and the ability to respond to market conditions with communications that support member decision making and are tailored to member life stages.
- To take actions to ensure customer satisfaction is maintained at high levels.
- To consider communications to members throughout their lifecycles, especially those who no longer make pension contributions or have more than one pension with Standard Life.

ESG and Stewardship

- To agree which responsible investment considerations should be incorporated in the design and implementation of the remaining Standard Life-designed managed funds.
- To extend fund-level reporting on ESG considerations, enabling more customers to see the beneficial impact on the environment and society of how Standard Life funds are invested.

Investment Pathways

- To review charging levels for both very small and very large pension pots.
- To develop additional customer communications to confirm customer's choice of pathway.
- To consider whether any design modifications would be appropriate concerning the risk-return trade-offs for each of the four Investment Pathways.
- To continue to develop Investment Pathway-specific customer servicing management information.

Value for Money Summary – IGC Calls to Action for Customers

Customer Calls to Action

We strongly encourage you to review your pension plans in these turbulent times.

Costs and Charges

- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.

Investment Performance

- Check you are comfortable with the types of funds you are currently invested in. Do they still fit with your appetite for risk?
- Are your retirement plans on course? If not, can you make any extra contributions to your pension?
- Review your planned retirement date. This may affect how your pension is invested when nearing your retirement date.
- If you are close to retirement, consider whether an annuity rather than income drawdown might be better for your future income.
- We recommend you seek guidance or independent financial advice to help you. If you're aged 50 or over, you can use the government's free Pensions Wise guidance service.

Customer Service

- Make sure your email address and all personal details are up to date, so you don't lose track of your pension savings.

Communication and Engagement

- We recommend you register for digital access (online or via the App) and use it regularly to review and manage your pension savings.

Investment Pathways – current or potential customers

- Check whether the Investment Pathway you are in is still the most appropriate for you. For example, annuity offerings are much more generous than a few years ago.
- Compare the charges you are paying with competitor charges, to see if any potential saving would be worth switching providers for.