Assessing Fidelity's workplace pension schemes

The Independent Governance Committee's 2026 report

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Fidelity INTERNATIONAL

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MEMBER SUMMARY

Welcome to the Independent Governance Committee's annual report for 2026.
This covers the calendar year of 2025 and provides our assessment of Value for Money, together with the improvements we have seen and the areas we'd like Fidelity to work on.

Our Value for Money assessment

Each year, the IGC independently assesses whether members of Fidelity's contract-based workplace pension schemes are receiving genuine Value for Money as they save for, and move into, retirement. Our role is to act solely in members' interests and to provide an independent view of how well Fidelity is delivering on the things that matter most to pension savers.

To reach our conclusions, we consider a wide range of evidence, including detailed reporting and presentations from Fidelity, feedback from members and employers, and advice from independent specialists. As required by the Financial Conduct Authority (FCA), our assessment focuses on three core areas:

- **Costs and charges:** the fees members pay for managing and investing their pension savings.
- **Investment performance and oversight:** how well members' savings are invested and the strength of Fidelity's governance.
- **Quality of service:** the standard of administration, customer support, engagement, digital access and communications provided to members.

In forming our judgement, we also look beyond historic service and performance at how Fidelity is investing in improvements that directly support long-term member outcomes as we view them as an important part of the broader Value for Money picture. These priorities include:

- **Ensuring regulatory requirements are met,** which supports strong governance and protects members' interests.
- **Enhancing member facing services,** including improving retirement journeys, expanding digital access, and developing new propositions, while continuing to provide appropriate support for members who are digitally excluded—helping to improve overall member experience and outcomes and maintain a high quality of service for all.

At the end of 2025, the IGC was looking across 221 Group Personal Pension and Group Stakeholder arrangements, representing the best interests of 364,299 members with £18.1 billion of retirement savings.

- **Investing in operational resilience**, which reduces the risk of service disruption and supports consistent delivery of investment and administration activities.
- **Developing future state technology and architecture**, helping reduce risk, improve the member experience and scale digital capability over time.
- **Investing sustainably and in line with members' core objectives**, investing for the long-term, to deliver positive returns in a changing world.

These investments are relevant to Value for Money because they are intended to strengthen the quality, reliability and effectiveness of the services members rely on throughout their pension journey. Over the longer term, by improving efficiency and reducing the ongoing cost to serve, they also have the potential to contribute to lower costs for members. As such, they form part of the wider context the IGC considers when assessing whether members are receiving fair value today and are positioned to receive good outcomes in the future.

For each assessment category, we judge whether Fidelity has met, partly met, or not met the expectations we set for the review period. A "partly met" rating is applied where progress is evident but further improvement is needed, or where a "not met" rating would be applicable only to a very small number of members and/or in very specific circumstances.

Finally, the FCA requires IGCs to compare their provider with the wider market. Fidelity again took part in the 2026 industry-wide benchmarking survey, which covers much (but not all) of the market. We consider these results carefully as part of our assessment. If our analysis indicates that members might receive better Value for Money elsewhere, we must raise this with Fidelity and, where appropriate, with employers.

Using this framework, we reached the following conclusions.

Our conclusions

Our overall assessment

We believe Fidelity continues to provide value for money for members. When compared with other pension providers, Fidelity performs well in many of the areas that matter most, although there are some areas where improvements are needed.

What Fidelity does well

- Low charges: Most members pay relatively low fees compared to the wider market.
- Strong investment growth: For members not approaching retirement, investments have delivered strong returns compared to other providers, and for those members nearing retirement returns have been similar to or better than typical peers over the medium term.
- Easy-to-use digital services: A high number of members use the website and app, making it easier to manage pensions online, and to engage with online tools which can help deliver improved and personalised outcomes.
- Reliable administration: Everyday services like processing transactions and handling queries generally work well, with low complaint levels.

Where we want to see improvement

- Customer service delays: For the second year running some members experienced longer call waiting times during the year. Whilst we recognise the actions taken to reduce the impact of this on member outcomes, and that these appear to have been effective, we would like to see stronger overall call waiting times.
- Costs at retirement: Investment transaction costs can be higher for members close to retirement.
- Member engagement: While many members log in online, fewer take actions such as planning their retirement or updating their details. A continued investment in developing further member engagement with the key decisions impacting their pension outcomes is a key medium-term objective.
- Keeping in touch: Based on benchmarking, a higher proportion of members than average have out-of-date contact details. This means important messages about the performance of their investments or the key actions they need to take may not reach them in a timely manner.
- Bereavement handling: Whilst individual servicing tasks are handled quickly, based on benchmarking Fidelity takes longer than average from notification of a member's death to handle the final payment of their policy benefits. Fidelity should look to understand the reasons for this and the opportunities to shorten the end-to-end processing time.
- While Fidelity customers who select an Investment Pathway during their retirement journey are more likely than customers of peers to subsequently act in ways anticipated in the design of that pathway, there remain a non-trivial number who ultimately take different actions and for whom the design of the pathway may thus be inappropriate. We are encouraging Fidelity to improve regular communications for members in Investment Pathways to reduce these risks.

Overall conclusion

- Fidelity offers overall value for money.
- It is particularly strong for members building their pension savings.
- Some areas, especially some elements of service and engagement, could be improved.

Getting in touch with the IGC

Although Fidelity provides us with regular updates on member feedback and complaints, we are keen to hear directly from members themselves. First-hand insights help us build a clearer picture of the real experiences and challenges members encounter. This, in turn, shapes the questions we ask and the actions we take in our engagement with Fidelity.

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Matt Cuhls
Chair, Independent Governance Committee
September 2026

COSTS AND CHARGES: WHAT MEMBERS PAY

We have concluded that Fidelity's ongoing costs and charges, including transaction costs, are reasonable for the type of workplace pension schemes it provides and when benchmarked against comparable offerings in the market. Members are not subject to exit charges when leaving the scheme. We are also satisfied with the clarity of Fidelity's communications on charges, enabling members to understand what they pay and why.

We are pleased to say that Fidelity has met our expectations in this area.

The two types of cost

We consider two main categories of cost in our review:

- **Ongoing charges:** These are the regular fees paid for being invested in a pension fund. They are typically disclosed as the Total Expense Ratio (TER). The TER includes the cost of managing the investments (the annual management charge, or AMC), as well as the operational costs of running the fund, such as administration, legal expenses, and trading activity. The TER is expressed as a percentage of the value of the pension savings. For example, a TER of 0.30% means a charge of 30p per year for every £100 invested. On a pension value of £100,000, this would amount to £300 per year.
- **Transaction costs:** These are the costs incurred when investment managers buy or sell assets within the fund. They include broker fees, commission, and Stamp Duty. Transaction costs also cover technical adjustments such as slippage and swing pricing, which are designed to protect long-term investors when markets move rapidly.[1]

Ongoing charges

We believe that the most effective way to assess the fairness of Fidelity's charges is to compare them with the wider industry. This is why we use an industry benchmarking survey as a core part of our analysis of ongoing charges.

The most recent study indicates that Fidelity's charging structure remains competitive relative to peers, with a high proportion of policyholders paying lower levels of charges compared to other providers included in the study.

Around 90% of members are invested in default arrangements with charges of 0.4% or less, and all members pay 0.6% or less. This compares favourably with the wider market, where average charges are higher and there are more members incurring higher charges.

Changes in year

Last year, we explained that Fidelity is gradually introducing private assets into the FutureWise investment approach while members' pension savings remain in the growth stage. Private assets provide access to opportunities that are not available through traditional stock and bond markets (also known as public markets) and are designed to help deliver stronger long-term returns. However, they are more complex to manage and therefore cost more to run.

As the amount invested in private assets increases, the charges paid by some members will also rise. The increase in charges paid is expected to be around 0.01% of total fund value for each 1% of a FutureWise fund invested in private assets, equivalent to approximately £0.10 per year for every £1,000 invested for members in the growth stage of FutureWise. The impact will vary by fund. Members invested in FutureWise funds furthest from retirement are expected to see the largest increase in charges, while members closer to retirement are expected to see a smaller increase or no increase at all. Based on Fidelity's current plans, the increase in charges is expected to be no more than 0.15% per year for the most affected funds once the full allocation is in place.

[1] Slippage tends to happen in volatile markets and describes any trade when the price that is paid is different to the one that was expected. Swing pricing is a way of ensuring that the transaction costs related to investments or withdrawals from a fund are paid for by the people making them, rather than all the investors in a fund.

The examples below demonstrate this change in charge and show both the percentage impact on the annual charge and the corresponding monetary increase per £10,000 invested in FutureWise.

Fund	One third allocation	Two thirds allocation	Full allocation
2070-2050	0.05% (£5) increase	0.10% (£10) increase	0.15% (£15) increase
2045	0.04% (£4) increase	0.07% (£7) increase	0.11% (£11) increase

The IGC has looked closely at the impact of these higher costs. If private assets deliver returns net of charges in line with, or better than, public markets over the long term (which is what Fidelity expects), we do not expect this to alter our overall Value for Money assessment for FutureWise. However, we will continue to monitor both the costs and the performance of private assets to ensure members continue to receive good value and good outcomes.

Transaction costs

Transaction costs are fees incurred in the trading of assets that pension funds are invested in. We consider transaction costs within our assessment of fees and charges but do so within the context of investment performance as they will often be higher where Fidelity moves assets to enhance or protect customer outcomes. As such higher transaction costs may not necessarily be a negative factor in our value for money assessment.

We're happy to say that overall, transaction costs met our expectations this year. The benchmarking study indicates that transaction costs for members in the growth phase of FutureWise are broadly in line with those incurred by peers which we see as a good outcome given the strong investment returns achieved.

For members approaching retirement, transaction costs were the highest observed among the providers included in the study.

The IGC recognises that this reflects factors like the anticipated impacts from recent changes in asset allocation and the mix of funds within the Retirement portfolio: performance for these funds has been solid and thus we will continue to monitor this closely to ensure that any increase in transaction costs is justified by improved outcomes and represents fair value for members.

We also take comfort from Fidelity's governance process over transaction costs. This includes a report every six months that flags when transaction costs appear high relative to similar funds on the platform. Fidelity then investigates these cases further with the fund managers and shares their findings with us. This provides an ongoing approach for monitoring the appropriateness of transaction costs as part of our Value for Money assessment.

Other costs

We believe Fidelity has a fair and transparent approach to its other costs. Fidelity does not charge exit fees, and its charging framework is applied consistently across the lifetime of the member journey. Members are therefore not penalised for accessing or moving their savings, and there are no additional charges for moving into drawdown or taking tax-free cash.

While the overall level of charges may vary over time as investment strategies evolve, including higher costs in the growth phase where private assets are held, these changes are monitored as part of our ongoing Value for Money assessment.

Making charges clear

We want charges to be presented in a way that is straightforward and easy for members to understand. Although there have been no material changes to how charges are disclosed this year, Fidelity continues to provide clear information on what members pay for their pension.

Charges are shown both as percentages and in pounds and pence, helping members see what the costs mean for their own savings. Fidelity also provides illustrations that show how charges can affect pension savings over time. In addition, members can easily check the costs of their pension through a dedicated website or on PlanViewer.

INVESTMENTS: HOW FIDELITY MANAGES MEMBERS' SAVINGS

The IGC has concluded that Fidelity's standard default investment strategy, FutureWise, continues to be designed and managed with members' interests in mind. Its aims and objectives are clearly defined and communicated, helping members understand how their pension savings are invested. For schemes with bespoke default strategies, we are satisfied that appropriate governance arrangements are in place and that Fidelity continues to monitor these to ensure they remain suitable.

The independent benchmarking study provides additional context to this assessment. Compared to other providers, FutureWise adopts a relatively high focus on higher risk/high growth potential assets in the accumulation phase, with a significant allocation to equities, particularly in the US. This positioning has contributed to strong investment returns for members further from retirement, although it has also been associated with higher levels of volatility compared to peers.

Relative investment returns for members approaching retirement has been solid and broadly in line with peers.

The study also highlights that there is a wide range of approaches across providers in terms of default design, glidepaths and asset allocation. Against this backdrop, FutureWise represents a more growth-oriented strategy than many alternatives, particularly for younger members, which helps explain its relative performance outcomes.

We are satisfied that the self-select fund range itself remains appropriate. Members who wish to take a more active role in asset selection can choose from a focused range covering the main asset classes, including equities, bonds, property and cash, alongside options reflecting environmental, social and governance (ESG) considerations.

When reviewing investment performance for self-select funds, we look beyond headline returns. What matters is whether the level of risk being taken is appropriate and how each fund performs compared with similar funds. After reviewing the available data, we are pleased to confirm that Fidelity operates a good process to ensure that the range of available funds is suitable for members and that over the medium-term the funds offer an appropriate balance of risk, performance and charges.

We remain engaged with Fidelity on planned changes to the available funds to ensure the range continues to be relevant and appropriate for members and are also continuing to encourage Fidelity to invest in the tools and processes to help self-selecting members engage with their investment choices on an ongoing basis.

Overall, taking account of both the benchmarking evidence and our own assessment, we are satisfied that Fidelity is delivering appropriate outcomes for members in this area.

Understanding default investment strategies

Every pension scheme has a default investment strategy. This is where your pension savings are invested if you don't make an active investment choice. As many members prefer not to choose their own investments, the default option typically holds most of the scheme's assets. This is the case here, with more than 95% of members invested in the default strategy although the proportion of assets held in the default reduces at older ages. This pattern will be an area for the IGC to keep under consideration as part of its ongoing focus on member behaviour and outcomes.

Default strategies are designed to work for a broad range of members and their needs as they move towards retirement. They can also be chosen deliberately by members who prefer a ready-made option rather than selecting funds themselves.

FutureWise (the default investment strategy): a quick overview

There is lots of detailed information about FutureWise on Fidelity's website, but in summary:

- **FutureWise uses Target Date Funds (TDF).** Each fund is linked to a specific future time period called a target date – for example, 2030, 2035 or 2040.
- **Allocation is based on selected retirement age.** Members are invested in the fund closest to their chosen retirement age. This helps align investments with when pension savings are expected to be accessed, highlighting the importance of carefully selecting and regularly reviewing the chosen retirement age.
- **More growth when retirement is further away.** When retirement is many years off, the fund focuses more on higher long-term growth by investing more in equities (shares), which can offer higher returns over time but may fluctuate in value in the short-term.
- **Gradual changes as retirement approaches.** As the target date nears, the fund automatically lowers its exposure to equities and increases investments such as bonds to help manage the variability of fund value over time.
- **Designed to continue generating growth at retirement** By the time the fund reaches its target date, the investments are chosen to support the option of keeping money invested and taking gradual withdrawals.
- **Arrangements after the target date.** Around three years after reaching its target date, the fund closes and members savings move automatically into the FutureWise Retirement Fund. This fund has a similar investment mix and is designed to provide steady, long-term returns during retirement.

FutureWise management

The IGC's assessment indicates that FutureWise, which remains Fidelity's standard default investment strategy, continues to operate against clearly defined aims and objectives and is managed with regard to members' interests. It uses Target Date Funds (TDF) aligned to members' expected retirement dates, gradually adjusting the investment mix as members move closer to retirement. The strategy is designed for members planning to take income drawdown, and after the target date members' savings transition into the FutureWise Retirement Fund to support long-term, steady returns in retirement. Fidelity continues to monitor both standard and bespoke default strategies to ensure they remain appropriate. The IGC has reviewed and validated the operation of the governance processes supporting both areas.

A key element of FutureWise is the dynamic asset allocation within the pre-retirement period. This approach gives Fidelity discretion to adjust asset exposure in response to evolving market conditions: evidence to date suggests that this has added value for members.

Throughout 2025, Fidelity also increased awareness of key elements of FutureWise through a combination of Workplace Workout communications and change related campaigns. One campaign targeted members invested in FutureWise, providing an update on progress toward net zero—including achievement of the 2030 carbon reduction target—and encouraging members to log in to PlanViewer and explore the Illuminate tool. The email achieved an open rate of 46%, significantly above industry benchmarks.

Looking ahead, FutureWise is expected to play a growing role in long-term member outcomes across Fidelity's wider workplace pension business, with assets projected to rise from £24bn at the end of 2025 to approximately £40bn by 2030. These projections relate to FutureWise overall and are not limited to the contract based schemes within the IGC's remit.

Recent enhancements include greater integration of private market assets within the growth phase of the glidepath, supported through the Long-Term Asset Fund (LTAF). By the end of 2025, around £482m had been committed to the LTAF, with £65m deployed in Q4, and FutureWise held a 4.7% allocation to a diversified mix of private assets within the growth phase.

To date, and in line with expectations for the early stages of deployment, the introduction of private assets has not had a material impact on overall investment performance. The IGC will continue to monitor the longer term net impact on member outcomes, taking into account both investment returns and costs, through Fidelity's reporting and governance processes.

FutureWise default performance

The independent benchmarking study provides further context to the performance of FutureWise. For members in the growth phase, the strategy delivered the highest returns across the providers included in the study over one, three and five years.

These strong returns were accompanied by higher levels of volatility, reflecting Fidelity's relatively high allocation to growth assets. Forward-looking analysis indicates that while expected returns remain among the highest, the level of variability is also above average compared to peers.

For members approaching retirement, performance has been lower. Returns were around the median over five years though higher than average over shorter periods. This reflects both market conditions and the evolving design of the at-retirement strategy.

Overall, the benchmarking results indicate that Fidelity has delivered strong absolute and relative returns for younger members, while outcomes for members closer to retirement remain appropriate but less differentiated from peers.

FutureWise combined Lifestyle and TDFs 2020-2025:

	One year	Three years	Five years
For members 30 years from Retirement, returns to 31/12/2025 were (after charges):	14.9%	16.4%	10.5%
For members at retirement age of 65, returns to 31/12/2025 were (after charges):	9.3%	9.4%	2.9%

Note: This return reflects the performance of the FutureWise Target Date Funds since 2023, with the previous years in the previous FutureWise lifestyle strategy.

Bespoke default strategies

FutureWise is designed to suit the needs of the vast majority of members and schemes, but we recognise that some employers may require a more tailored approach for their workforce. In these cases, an employer may adopt a bespoke default investment strategy. Where they do so, they must commit to receiving ongoing advice from an independent investment adviser and to sharing any recommended changes with Fidelity. Should an employer choose to discontinue a bespoke approach, members will be transitioned back into FutureWise to ensure they continue to benefit from a fully governed default solution.

Fidelity provides structured oversight of all bespoke defaults and keeps the IGC informed of its findings. This includes:

- a quarterly review of the underlying funds
- an annual check that an independent adviser remains appointed
- an annual confirmation that the strategy has been reviewed for continued suitability

During the review period, 12 large employers continued to use bespoke default strategies, although several employers chose to move back to FutureWise over the year. These bespoke arrangements now represent 27% of total contract-based workplace pension assets, amounting to approximately £4.9 billion, and cover 10,078 members. Given the scale of assets and number of members involved, ongoing governance and access to professional advice remain essential.

While the IGC is not required to assess the performance of these bespoke defaults, we do monitor whether the required governance framework is being followed. Fidelity has confirmed that all employers using bespoke strategies continued to receive appropriate independent advice throughout the review period.

The self-select range

Although the majority of members remain invested in the scheme's default investment strategy, the self-select fund range continues to be an important part of the overall investment offering. Members who wish to take a more active role in managing their pension savings should have access to a well-constructed range that allows them to exercise greater choice and control where appropriate.

Because the self-select options differ between employers, we do not provide performance information on individual funds within this report. Members can review up-to-date performance, risk information and fund documentation for their specific scheme's range through PlanViewer, ensuring they have the factual information and resources that are needed to make informed decisions.

Fidelity also provides a range of digital tools to help members explore their investment options, including the chart and compare tool, which remains the primary way members assess and compare the self-select fund range. Engagement with this tool has remained at a consistent level and supports members who choose to take a more active role in managing their pension investments.

While the tool remains functional and widely used, Fidelity acknowledges that there is potential for a more intuitive design to strengthen member understanding and decision making so we encourage Fidelity to progress this work as soon as resources allow.

In assessing the self-select range available to members, we consider four key areas:

- **Fund range size:** Fidelity intentionally offers a relatively limited number of self-select funds. We support this approach, as evidence suggests that overly broad fund ranges can reduce member engagement over time. Fidelity also aims for consistency across schemes, particularly in relation to sustainable and ethical fund options.
- **Appropriateness of the funds offered:** Fidelity is responsible for ensuring that the funds within the self-select range remain suitable for members' needs. We reviewed the processes in place for adding, removing or replacing funds and have seen evidence that these controls are being applied on an ongoing basis.
- **Ability for members to switch between funds:** Unlike a default investment strategy—which is designed to guide members to, and in some cases through, retirement—self-select portfolios are less likely to remain suitable throughout a member's lifetime. It is therefore essential that members can easily switch between funds. Fidelity provides this flexibility through PlanViewer (including the app), as well as over the phone or in writing. Members who make frequent switches also receive alerts to ensure they understand the risks of short-term trading.
- **Access to clear information:** Members choosing from a self-select range must be able to understand their options. Fidelity provides fund information, including performance and risk details, through PlanViewer to support informed decision making.

Scope and performance of the self-select fund range

Fidelity reviews all the self-select funds offered across its pension schemes on a regular basis. It uses a rating system to highlight any funds that may not be performing as expected during the quarterly reviews. If a fund shows ongoing issues, Fidelity can take action and remove it from the range. During the year, no funds were identified for closure.

Fidelity's investment team also oversees other factors in the way funds are run or governed. This may include reviewing funds where there has been a temporary divergence from expected performance or a change in management or investment approach. These matters are discussed with the relevant fund managers to ensure they remain consistent with the fund's stated objectives and member interests.

As in previous years, we have seen examples of these reviews, and they continue to be carried out thoroughly and in good time.

Reviewing Investments for Self-Select Members

Members who choose their own investments need to review them regularly, but this can be easy to overlook. Fidelity supports this through annual reminders, although these prompts are currently delivered through the Workplace Workout programme. Participation in Workplace Workout requires employer opt-in and members can opt out at any time, so full coverage is unlikely. While the programme now reaches more than 93% of members, a small number remain outside it.

Members who are not enrolled still receive a yearly service message, which includes practical reminders including to review where they are invested, albeit this isn't targeted specifically at self-select members.

Governance oversight

As part of Fidelity's regular investment governance process, two key committees oversee how member investments are monitored and managed within the overall framework:

- Asset Range Governance Committee (ARGC) – This committee reviews the funds available to members, considering factors such as how well they are performing, the financial strength of the investment provider and whether each fund remains appropriate for members' needs.
- Investment Solutions Forum (ISF) – This group oversees the design and ongoing review of workplace investment solutions, including FutureWise and Investment Pathways, to ensure they remain suitable and well governed.

Fidelity has provided us with detailed information about how these committees operate, how issues are identified and addressed, and how decisions are shared across the organisation. Through regular reporting, we can see how performance concerns are escalated. Where the investment manager takes appropriate action and performance improves, funds continue to be offered to members. Where a fund consistently fails to meet expectations or does not provide good value for money, it is removed from the range.

QUALITY OF SERVICE: ADMINISTRATION AND SUPPORT

While many members may not notice the day-to-day administration of their pensions, as much of it happens behind the scenes, it plays a critical role in shaping their overall experience. For this reason, our assessment takes a comprehensive view, examining a wide range of administrative activities to understand how effectively schemes operate and support their members. We also get regular updates to confirm that Fidelity operates controls around key risks to service such as cyber controls.

Benchmarking results show that Fidelity's administration capabilities are generally strong relative to peers. Processing times for key activities such as fund switches, contributions and transfers are among the fastest or close to the fastest in the study, and complaint levels and resolution times compare favourably with other providers.

The one exception to this was in relation to Bereavement handling. Whilst individual servicing tasks are handled quickly, based on benchmarking Fidelity takes longer than average from notification of a member's death to handle the final payment of their policy benefits. We are keen that Fidelity looks to understand the reasons for this and the opportunities to shorten the end-to-end processing time.

During 2025 there was a noticeable deterioration in call centre performance, with higher wait times and call abandonment rates compared to other providers. We understand that this reflects a period of increased demand and operational pressure, and that actions have been taken to improve performance. We will continue to monitor this closely to ensure service levels remain stable.

We are pleased to say that - taken in the round - Fidelity has met our expectations in this area.

Core customer servicing

Benchmarking results show that Fidelity's administration capabilities are generally strong relative to peers. Processing times for key activities such as fund switches, contributions and transfers are among the fastest or close to the fastest in the study. Improvements to several processes—including the reduction of manual steps and the introduction of more flexible and efficient payment options—supported greater consistency. The online retirement cash withdrawal journey also contributed to a clearer and more streamlined experience for members.

Net Promoter Scores (NPS), which are a good way of assessing overall customer experience, for members aged 55 and over remained strongly positive (above 60), and materially higher than scores seen before digital journeys were introduced. As fully digital withdrawal journeys continue to roll out, these levels are expected to be maintained. Early metrics indicate higher than expected levels of digital task completion, with 69% of members accessing a withdrawal for the first time successfully completing the journey.

Looking ahead, the ongoing focus on simplifying and expanding online processing and strengthening cash withdrawal journeys is expected to support timely and accurate outcomes for members.

One exception to this was in relation to processing payments following the death of a member. Whilst individual servicing steps in this process are handled quickly, based on benchmarking Fidelity takes longer than average from notification of a member's death to handle the final payment of their policy benefits. We are keen that Fidelity looks to understand the reasons for this and the opportunities to shorten the end-to-end processing time.

Toward the end of 2025, the call centre experienced a noticeable drop in performance, with more members facing longer wait times and a higher number of abandoned calls. This was mainly due to a sharp rise in enquiries, especially around withdrawals, after speculation linked to the Autumn Statement. October saw call volumes peak, which put additional pressure on the service. Although this meant some members experienced slower service at times, the IGC is reassured that the quality of the support provided remained strong, with consistently high First Contact Resolution and positive feedback from members, and low levels of complaints (see below).

As additional staff were recruited and trained, performance began to improve through November and December, and early 2026 data shows this recovery continuing, with wait times and abandonment rates moving back toward expected levels. The IGC will continue to monitor progress closely to ensure that recent increased staffing improvements deliver a more stable and timely service for members, which is an essential part of delivering value for money.

Finally, the number of complaints Fidelity received remained stable in 2025 and was in line with peers. Complaint resolution times were the fastest in the benchmarking study. This suggests that service quality as perceived by members is in line with peers and that where service is seen as weak that Fidelity act on this quickly. Additionally, both rates of complaints being referred to an Ombudsman and the rate at which the Ombudsman overturns Fidelity's initial complaint decision were low suggesting the quality of complaint handling is good.

Supporting vulnerable members

The IGC is pleased to see ongoing work to make sure customers who may be more vulnerable receive the right help at the right time. We welcome the practical steps taken this year to further enhance support for vulnerable customers, such as adding clear flags in systems to help identify customers who may need more support, introducing Video Relay for BSL users, and enhancing training, coaching, and monitoring of calls. These changes should make it easier for Fidelity to spot when a customer needs extra assistance and respond in the right way. Looking ahead, we expect continued focus on improving accessibility across all channels and making sure important documents are available in more formats to meet different customer needs.

Data Quality Assessment

The IGC is interested in Data Quality because high levels of data quality underpin the accuracy and speed of service received by members and allows Fidelity to target important information to members to support them achieving good outcomes. Last year we highlighted two areas where we felt there were opportunities to further enhance data quality: National Insurance Number Collection and ensuring contact details are maintained for overseas customers.

Fidelity continues to monitor two key categories of data for members: Common data, which includes the core information required by all pension schemes (such as name, address and date of birth), and Conditional data, which is specific to the administration of Fidelity's pension arrangements. Overall data scores have remained stable since the last assessment, despite year-on-year membership growth.

A significant driver of data quality remains the accuracy and completeness of member contact information, which underpins Fidelity's ability to deliver essential communications throughout the lifetime of a member's policy. Fidelity continues to undertake a range of activities to obtain and update missing information. Building on these existing processes, several enhancements were introduced during 2025–26 to strengthen data accuracy further.

Strengthened National Insurance Number (NINO) Collection

A programme of improvements to NINO collection went live in April 2025, with additional measures scheduled for early 2026. Key enhancements include:

- New monthly employer request process, implemented on 6 April 2025, to proactively identify and follow up missing NINOs.
- Direct outreach to new members two and four months after joining, beginning in Q1 2026.
- Mandatory six-month deadline for providing a NINO. Where a NINO is not supplied within this timeframe, contributions will be returned to the employer.
- Additional validation checks for members with Isle of Man or Channel Islands NINOs to confirm UK validity. This process will apply to both new joiners and existing members.

These targeted interventions are expected to drive improvements in future data quality scores which will both improve some elements of service to customers and reduce the risks of financial crime.

Employer and Member Data Reviews

Quarterly employer checks continue to support the accuracy of Active and Opt Out member records. For Deferred members, UK tracing activity has now been completed. However, overseas tracing remains out of scope due to historically low success rates and disproportionate cost. Fidelity reviews this position annually, and it may evolve if developing pensions dashboard capabilities or new provider solutions present a more cost-effective approach. Where email contact details are available, Fidelity continues to use these channels, although response rates remain low.

Pensions Dashboard and Data Quality Insight

As part of preparations for the Pensions Dashboard, Fidelity is assessing third-party solutions to provide enhanced data accuracy insights. Two potential providers are currently under review, with the aim of strengthening the overall quality and completeness of member data.

To support this work, a 10% increase in tracing budget has been approved since the previous review, reflecting continued commitment to improving the reliability of member records.

Employer support

While our primary focus continues to be the experience delivered to members, we also review the quality of support Fidelity provides to employers as this can both directly and indirectly support good member outcomes.

Employer feedback for the year again highlighted the strength of Fidelity's relationship contacts who continue to be seen as a key differentiator. These teams maintained very high advocacy levels, reflected in an overall client Net Promoter Score of +77, with many employers praising the responsiveness, clarity and consistency of support they receive.

We were also encouraged by significant improvements in employer feedback on key communications. Thanks to focused efforts in 2025, the number of clients with negative feedback on communication issues fell by over 80% over the year. This included the launch of new retirement wake up packs and the creation of a solution enabling welcome packs to be issued by email - an approach now being extended to re-enrolment communications.

Where concerns were raised, these tended to relate to isolated process or systems issues rather than broader service shortcomings. Examples included delays to certain updates or administrative steps - often linked to the legacy PlanViewer Admin platform. Fidelity has acknowledged these challenges and continues to prioritise improvements, with further enhancements scheduled for 2026, meaning we expect many of these issues to be short-term rather than ongoing.

QUALITY OF SERVICE: MEMBER ENGAGEMENT AND COMMUNICATIONS

Clear, accessible and timely communications play a critical role in helping members understand, manage and make decisions about their retirement savings. In line with its responsibilities under the Value for Money framework, the IGC continued to monitor Fidelity's communications throughout 2025 to ensure they remain suitable for members with differing needs, characteristics and levels of confidence.

In 2025, a new engagement benchmarking study was introduced for the first time alongside the established annual benchmarking. This provides additional insight into how members interact with their pensions across key stages of their savings journey.

The study shows that engagement is improving in areas such as digital access and maintaining member records, but more active behaviours such as retirement planning or making changes to contributions and investments, remain low across the market.

Fidelity's results are broadly consistent with the metrics reported elsewhere in this section. As set out under Digital Access, online registration and usage levels are high relative to peers. Completion of Expressions of Wish and use of retirement modelling tools are low but at rates consistent with industry experience.

During the year, Fidelity continued to develop its communications framework. The IGC noted updates to communication design and review processes, increased use of digital engagement, and wider use of segmentation at key points in the member journey.

Overall, the new benchmarking reinforces the conclusions set out in this report: while Fidelity performs strongly in supporting access to information and maintaining engagement through digital channels, there remains a broader challenge across the market in supporting members to take more active steps that are likely to improve their retirement outcomes, which we will continue to monitor.

Communication Quality and Design Improvements

In 2025, Fidelity made further changes to its communications framework, which we understand were intended to improve consistency, accessibility and the application of behavioural design principles.

- **Format For All and behavioural review** In late 2025, Fidelity introduced Format For All, described as an accessibility and behavioural review framework. It applies an extensive checklist covering structure, clarity, design and ease of action across written communications. Between September and December 2025, initial benchmarking of key member communications was carried out, establishing a baseline against which future changes can be assessed.
- **Style guide updates** Fidelity updated its existing Style Guide to reflect the principles set out in Format For All, with the aim of promoting greater consistency in tone, structure and language. A number of letter templates were revised to reflect these changes, and elements were also incorporated into Fidelity's automated content review processes. The IGC notes that these changes are intended to support more consistent application across a large volume of communications.
- **Clear & Simple reviews** Fidelity continued work during the year towards Fairer Finance's Clear & Simple accreditation. Communications reviewed included member benefit statements, retirement quotes, leaver communications, pension transfer packs, and welcome and re-enrolment letters. This work focused on simplifying complex information and improving clarity at key points in the member journey.
- **External insight and benchmarking** Fidelity continued to draw on input from a range of external third party organisations, including Plain Numbers, Fairer Finance, Boring Money and Cowry. The IGC notes that these organisations provide external challenge and market comparison, and that Fidelity has positioned Format For All as an early structured approach to accessibility standards for written communications within the pensions sector.
- **Segmentation and tailored communications** During 2025, Fidelity expanded the use of segmented communications based on member circumstances and life stage. This included revised communications for members leaving employment, an annual review for members invested in self-select funds (with additional guidance for those aged over 50) and follow-up communications to deferred members after issuing Annual Benefit Statements. The IGC notes that these changes are intended to support clearer and more timely communications.

2025 Member Engagement Performance

Whilst default elements of workplace pension performance are designed to meet typical member needs, each member is an individual and can make choices around investment, or retirement that fit their personal circumstances. Engagement with members at, or in the approach to, key dates in the life of their pension is a key determinant of members getting the best personal outcomes in retirements, and thus in assessing value for money we consider a range of areas where we believe it is important that Fidelity ensures strong engagement is taking place.

- **Staying Connected** Keeping member contact details up to date remains important for effective communication. Over the past five years, the proportion of members with just a personal email address increased from 53% in 2021 to 68% in 2025, rising by around 4% a year on average. The proportion of members with just a work email address recorded has remained broadly stable, while members with both a personal and work email recorded increased more steadily, from 24% to 32% over the period. We are happy that in total Fidelity has worked with members and employers to gain a high level of contact addresses that can be used to inform and engage members throughout their policy life.

QUALITY OF SERVICE: MEMBER ENGAGEMENT AND COMMUNICATIONS

Workplace Workout Workplace Workout is the name given to the communications programme that is a core tool for engaging workplace members, with 218 schemes (93%) actively using the programme by the end of 2025. Fidelity plans to build on this strong level of adoption in 2026 by deepening engagement and tailoring the support available to schemes and their members.

Digital Access Members continued to make greater use of digital services as the continued shift toward digital channels creates more opportunities for personalised support and easier self-service. Logins to PlanViewer more than doubled over the five-year period, from 22% of members in 2021 to 49% in 2025, growing by almost 7% points a year on average. App access also increased, rising from 2% to 6%. The industry benchmarking study provides further context for these trends. It shows that the proportion of Fidelity members registered for online and app services, and those actively using these services was the second highest overall in the study.

Expressions of Wish Completion of Expressions of Wish increased from 7% in 2021 to 24% in 2025, an average annual rise of around 4%. Where Fidelity holds an Expression of Wish it can simplify the payment of any benefits due on the death of a member and enable swifter payment, thereby benefitting their beneficiaries. The benchmarking study shows that completion rates across the industry remain relatively low, typically ranging between around 12% and 30%. Fidelity's level of completion is therefore within the upper half of this range, although still low in absolute terms.

Selected Retirement Ages and Retirement Behaviour Fidelity's monitoring shows that relatively few members update their Selected Retirement Age (SRA), even though some take benefits earlier or later than recorded. Only around 11% of members overseen by the IGC actively update their SRA, which is most important for those approaching retirement, as an inaccurate retirement age can lead to a misalignment with the FutureWise glidepath. Members who update their retirement age also tend to be older, suggesting it becomes easier to set a retirement age as members get closer to it.

The engagement benchmarking study indicates that behaviours linked to retirement planning remain limited across the industry. Only a small proportion of members update key retirement assumptions such as their target retirement date each year, typically around 1–3% of members. This is consistent with Fidelity's experience and suggests that many members are not actively reviewing or updating their retirement plans on a regular basis.

The study also shows that the use of tools designed to support retirement planning, such as retirement income modellers, remains low across providers, generally at around 10% or less. Fidelity's usage is lower (around 5%), which reinforces this broader pattern of limited engagement with retirement planning activities.

Fidelity continues to remind members to check their retirement age, including through the Annual Benefit Statement and, from 2026, through the new Plan for All tool on PlanViewer, which will make retirement age a prominent and editable factor in shaping projected retirement outcomes.

Fidelity also reinforces the importance of keeping retirement age up to date in all member webinars and presentations involving FutureWise, with attendance increasing by 109% during 2025. In addition, forthcoming updates to Fidelity's in retirement communications and wider retirement communications programmes will look to enhance this messaging further.

While these developments are positive, we have encouraged Fidelity to consider additional ways to support members in reviewing and updating this important assumption.

Investment Choices The proportion of members invested in a default investment strategy increased from 81% in 2021 to 94% in 2025, rising by just over 3 percentage points a year on average. We believe that for the majority of members, being invested in a well-designed and governed default strategy is likely to support better long-term outcomes.

The benchmarking study shows that more active investment behaviours such as switching funds or making changes to investments are relatively low across the market. In most cases, these actions are undertaken by only a small proportion of members each year. Fidelity's experience is consistent with this, with only a small percentage of members making changes to their investments annually.

This suggests that most members rely on default strategies rather than making active investment decisions. While this reinforces the importance of ensuring the default remains appropriate, it also highlights the need to provide clear and accessible support for those members who do choose to make their own investment decisions.

Developments Planned for 2026

To help members get more from their pension, Fidelity has shared a number of initiatives it plans to introduce in 2026. These include more timely and personalised support, such as a new midlife checkup, improved guidance for those nearing or in retirement, and webinars that are always available for new joiners and members approaching key decision points.

Fidelity also plans to strengthen its multichannel experience with new podcasts, short videos, more personalised messages within PlanViewer, additional in-app nudges, and the introduction of the Plan for Life tool, along with smoother navigation to important pages. Employers will also receive new engagement toolkits, featuring digital banners, posters, videos and ready to use messages, to help encourage members to register for PlanViewer, download the app, and keep important details such as Expressions of Wish and beneficiary nominations up to date.

As an IGC, we welcome these planned improvements as they demonstrate Fidelity's willingness to keep investing in initiatives that should improve outcomes for members, and we believe they will support members in feeling more informed and connected to their retirement savings.

Member feedback panels

The IGC continues to see evidence that member feedback is being considered in the development of communications. This is relevant in the context of the Consumer Duty, which expects firms to consider feedback received and to act on it where appropriate. A range of feedback channels remains in place, including surveys, digital prompts and Service Centre interaction feedback.

Member panels continue to be used as part of Fidelity's approach to reviewing communications. The volume of formal panel reviews reduced in 2025, reflecting a narrower focus on a smaller number of higher impact communication journeys, many of which had been reviewed in earlier years. Panels continued to operate with a more targeted remit, including bespoke reviews for major initiatives where additional member input was considered appropriate prior to implementation. During 2025, 104 communications were tested with members, with 1% assessed as Red, 16% as Amber and 83% as Yellow or Green.

In addition to member panels, feedback is also received through ongoing inputs from Fidelity's member contact teams. The IGC notes that these internal feedback loops, alongside data and sentiment monitoring, are used to help identify emerging issues and potential areas of concern, supporting timely consideration and response where needed.

Member Surveys and Feedback

Alongside its member panels, Fidelity operates a well-established suite of surveys and feedback mechanisms to monitor member sentiment and understand the experience of those interacting with its services. These include:

- **Annual Member Engagement Survey** Conducted in two waves (Q2 and Q4), this survey explores members' priorities at different life stages, the sources they rely on for retirement decision-making, their financial confidence, and emerging themes such as the appeal of phased retirement. It also captures high-level satisfaction with Fidelity and how members perceive their investment returns relative to other workplace pension arrangements.
- **Digital Feedback Mechanisms** Feedback forms embedded across the website, mobile web and the new app capture real time-views on the digital experience and help inform prioritisation across the development roadmap.
- **WI Service Centre Experience Surveys** Members are surveyed after interacting with the WI Service Centre to help Fidelity monitor service quality and identify areas for improvement. We are pleased to see consistently strong results reflected in tNPS scores of +59 in 2024 and +60 in 2025.
- **Advice and Guidance Feedback** Members who engage with the Wealth Management team receive a follow-up survey to assess the quality and usefulness of the advice or guidance they received.

INVESTMENT PATHWAYS

Investment Pathways continue to provide an important safeguard for members who have accessed tax-free cash or entered drawdown, helping ensure they are offered good value investment options aligned to their retirement intentions.

For 2025, we remain satisfied that Fidelity continues to meet our expectations around suitability, performance and cost while recognising a number of areas where further development is needed to support improved member outcomes.

Our assessment considers performance and suitability against the prescribed criteria, together with the absolute and relative performance of the underlying funds. Our benchmarking approach is principally focused on other Investment Pathways provided to workplace pensions customers as we feel these are the most relevant peers to compare against. We welcome the additional behavioural and member experience insights now available including external benchmarking.

Market context and ongoing relevance

Investment Pathways have now reached their five-year anniversary. Benchmarking analysis shows the market has grown materially, with approximately 250,000 customers and close to £20 billion in assets across providers. At the same time, the decumulation landscape is evolving, with developments such as targeted support and emerging default retirement solutions expected to reshape how non-advised members access retirement income. We therefore expect Fidelity to continue reviewing the role and positioning of Investment Pathways within its broader retirement proposition to ensure they remain relevant and competitive.

There are four pathways available to members, each with their own member aim and resulting investment objectives.

Investment Pathway	Aim	Main criteria we monitor
1	I do not plan on touching my money within the next 5 years	The performance of the Pathway over the long-term
2	I plan on purchasing a guaranteed income (annuity) within the next 5 years	How well the Pathway reflects changes in annuity rates over time
3	I plan on starting to take a long-term income drawdown within the next 5 years	How much income the Pathway is generating relative to its objective
4	I plan on taking all my money as cash within the next 5 years	The performance of the Pathway over the short-term

Benchmarking shows significant variation across providers in the investment objectives of certain pathways: in part this will reflect underlying differences in member demographics and behaviour, but other elements will reflect the investment philosophies of different providers.

For example, for Pathway 4 approaches range from full capital preservation to more return-seeking strategies. Fidelity's approach for Pathway 4, which is fully invested in cash and money market instruments, provides strong capital security but may result in lower real returns over time, particularly in higher inflation environments. We will continue to monitor whether any material differences in design of each pathway compared with other market participants remain appropriate given evolving member needs and market conditions.

Choice of Pathway and ongoing review of appropriateness

Usage of Investment Pathways remains low, with fewer than 5% of eligible members invested in one. This reflects established patterns in the workplace market and is likely driven by several factors:

- Many members choose to remain in the default fund when accessing benefits.
- Some members do not feel prepared to make an investment choice at withdrawal.
- Less confident retirees tend to prefer remaining within defaults, while Pathway users typically demonstrate higher confidence and clearer retirement plans.

Recognising this, Fidelity is enhancing its support for members following crystallisation. The Workplace Workout campaign, which is automatically triggered after crystallisation, is being refreshed with clearer messaging. Fidelity has developed an annual reminder for members who remain outside an Investment Pathway, offering a timely prompt to review whether their current investment choice remains appropriate.

As Investment Pathways reach their five-year anniversary, we asked Fidelity to demonstrate how members' actual behaviour compares with the intentions set when selecting their Pathway. We recognise that it is not always possible to understand the decisions made by members who have left Fidelity during this period, and that people's retirement objectives naturally evolve over time which makes it highly unlikely that complete alignment can be demonstrated/would be observed.

Benchmarking indicates that Fidelity's Investment Pathways proposition remains relatively small compared to peers in both assets and policyholder numbers, which may limit the robustness of behavioural insights and increases the importance of proactive monitoring and engagement. Despite these limitations, the behavioural data shows moderate alignment between member actions and the objectives of Pathways selected, particularly for Pathways 3 and 4. However, benchmarking across providers suggests that for the market as a whole alignment between actions and pathway objectives is less clear - particularly for Pathways 2 and 4 - and that member behaviours are often similar regardless of pathway selected. This may indicate limited customer understanding of pathway intent and highlights the importance of clear communications and decision support. Taken together, the findings suggest that many customers are choosing investment options that broadly match their needs and intentions. However, we also see cases where members select a Pathway but subsequently take actions that do not fully align with that choice or may have been better supported by an alternative. To help reduce the risk of members making decisions that could expose them to avoidable risks, we have asked Fidelity to strengthen its communications for Pathway users.

During 2025, Pathway 3 was transitioned into the FutureWise Retirement Fund, creating a more consistent experience for members moving from the FutureWise default into income drawdown. While we consider this a positive development, it also increases the importance of ensuring members actively consider their future plans rather than defaulting into a specific option. This reinforces the need for clear, timely communication for customers approaching or entering decumulation.

Additional insight is available from the 2025 Member Engagement Survey. Although the response volume was modest (33 Pathway members, around 7% of all Pathway users), the findings provide useful directional information. Members who actively select a Pathway tend to be more engaged, more financially secure and more confident in managing retirement decisions. This aligns with the behavioural data, which shows Pathways are most often used by members with clear retirement intentions and established income plans, but it does increase the risks (particularly where Pathway take up rates are low) that members not making an active choice of a Pathway may passively remain in a fund that doesn't match their likely decumulation choices. We have asked Fidelity to consider how this could be monitored going forward (see Usage and Ongoing Support below).

Performance, Costs and Value for Money

Our assessment considers whether outcomes remain appropriate for members given their stated objectives.

Performance over the last 5 years was - in aggregate - in line with expectations. Performance of individual pathways varied widely however:

- The performance of **Pathway 3** over 5 years was the lowest in the benchmarking study, but changes in the design of this - to integrate more fully with FutureWise - in the last 18 months have contributed to short-term returns being strong. Given the actions taken and improvement in performance these have delivered we don't believe it undermines an overall value for money assertion.
- **Pathway 1** and **Pathway 4** delivered outcomes consistent with their design, providing a balance between growth and stability aligned to member objectives. The performance of Pathway 4 has been the particularly strong compared with the peer group.
- **Pathway 2** continues to meet its objective of protecting customers from movements in annuity rates. Whilst the fund has reduced in value over 5 years, its relative performance compared with peers has been strong, and annuity prices have fallen by more than the fall in the fund price over this period. We do however note that there is a risk that the outperformance of this fund compared with peers could mean it is not designed to insulate customers from annuity price movements in a wide range of market conditions, and we have asked Fidelity to provide further analysis on this over the next year.

Pathways performance :

	One year %	3 years (% a year)	5 years (% a year)
Pathway 1	6.23	9.46	4.50
Pathway 2	5.80	3.07	-4.61
Pathway 3	12.10	7.20	2.90
Pathway 4	4.51	4.88	3.21

Yearly returns to 31 December 2025 (gross of fees)

We have no concerns about the continued suitability of the Pathways or their performance relative to their stated objectives, and we consider that the outcomes delivered remain appropriate for the intended member groups using each Pathway.

Charges remain reasonable and are broadly consistent with the fees members pay during the accumulation phase - as previously noted Fidelity performs strongly in this area. Benchmarking indicates that charges within Investment Pathways are generally higher across the market than in accumulation products, reflecting the absence of a charge cap. Against this backdrop, Fidelity's charges remain competitive, with all members paying below 0.75%, comparing favourably to peers.

Transaction costs continue to be monitored and remain within acceptable levels :

Investment Pathway	Transaction Cost (%)	Cost per £100 Invested
Pathway 1	0.15%	15p
Pathway 2	0.00%	0p
Pathway 3	0.17%	16p
Pathway 4	0.00%	0p

Overall Assessment

While there remains scope to strengthen member engagement and decision making support, particularly given low usage levels, we remain satisfied that Fidelity's Investment Pathways:

- Meet regulatory intent
- Offer good value for money
- Demonstrate appropriate behavioural alignment
- Are supported by strong governance and ongoing improvements

The transition of Pathway 3, the planned enhancements to member communications and the richer insight now available all represent positive developments that should reinforce member outcomes in the years ahead. However, benchmarking highlights opportunities to further improve engagement, behavioural alignment and investment design, and we will continue to monitor these areas closely to ensure members receive consistently good outcomes.

SUSTAINABLE INVESTING AND CORPORATE ENGAGEMENT

Whilst the primary focus of Fidelity's investment philosophy is strong investment returns, Fidelity believes that an appropriate consideration of Sustainability within this is key to achieving long term returns and/or reduction of risk, and we know this is also important to many customers.

We are pleased to say that Fidelity has met our expectations in this area.

Our role

As an IGC, we do not set Fidelity's approach to sustainability or its policies on stewardship and corporate engagement. However, it is our role to assess whether appropriate policies are in place, whether they clearly set out expectations for managers, and whether Fidelity is operating in line with these policies.

Fidelity's investments are held through a range of fund structures managed by different investment firms, each with its own approach to sustainability and stewardship. This means Fidelity cannot directly control every aspect of how these firms vote or engage with companies. However, Fidelity does review and evaluate the voting records, engagement practices and wider sustainability activities of these managers, including those within the Fidelity group, to assess whether they are consistent with members' long term interests.

Our review

We have reviewed a wide range of Fidelity's policies including those looking at the financial considerations around sustainable investing, non-financial matters, other financial considerations and stewardship.

As in previous years, we also met with BlackRock, as it is Fidelity's largest third-party fund provider. We wanted to explore its approach to stewardship. This involved looking at how it engages with companies, carries out proxy voting on clients' behalf and makes contributions to industry dialogue and reporting. We would like to highlight that we challenged BlackRock on its decision to withdraw from the net zero asset manager initiative in January 2025. It told us that despite this decision, there had not been any changes to its investment philosophy. We will monitor this area closely to make sure it doesn't lead to changes in future.

Sustainability and investments

Sustainability is an integral part of the FutureWise Target Date Funds strategy. All funds used within this strategy integrate sustainable investing considerations, as do all four of the Investment Pathways.

Fidelity also monitors the carbon footprint of FutureWise and its progress towards its 2050 net zero target. While it is positive that the strategy has already achieved its 2030 target of a 50% reduction in carbon emissions, it is important to note that this metric reflects more than just changes in underlying emissions. In line with industry experience, it is likely that a material proportion of this reduction has been influenced by movements in asset values as well as portfolio composition.

Within the self-select range, Fidelity offers five sustainability focused funds. The value of assets invested in these funds increased to £43.5 million by the end of 2025, from £19.7 million a year earlier.

Communicating sustainability

Fidelity's Illuminate tool, made in partnership with Tumelo, gives members transparency about where their pension savings are invested, and a voice on the environmental, social and governance (ESG) issues that matter to them personally.

This tool saw a 200% increase in member registrations in 2025, reaching a total of 16,000 registrations, which is encouraging. Although this growth comes from a low base, it is still a positive outcome and suggests that Fidelity's efforts to increase the tool's visibility are having a meaningful impact.

INTRODUCING THE IGC

Who we are

The Independent Governance Committee (or IGC, for short) is responsible for assessing Fidelity's Group Personal Pension and Group Stakeholder plans, to see if they provide members with Value for Money. We also review the four Investment Pathways funds designed for non-advised members at retirement. The document that sets out what we do and how we do it is called a Terms of Reference and ours can be downloaded here.

Skills, experience, and independence

In 2025, two new independent members – Tim Giles and Alan Greenlees – joined the IGC. Both bring strong experience in pensions, investments and governance. On 1 April 2025, Matt Cuhls became the new Chair of the Committee.

- Matt has over 25 years' experience in senior pensions roles and has worked with Independent Governance Committees since their inception.
- Tim is a qualified actuary and professional trustee with more than 35 years' experience advising pension schemes.
- Alan is a professional trustee with a background in DC investment strategy and value for money assessments.

Together, the Committee has the skills and independence needed to assess whether members are receiving Value for Money and to act solely in members' interests.

Reviewing our effectiveness

At the end of every meeting, we discuss how we operate and look at ways we can improve our governance, with a process of continual improvement in mind. We're pleased with how this worked throughout 2025 and have a full effectiveness review proposed for 2026.

We remain comfortable with the support provided by Fidelity. There has been an investment in meeting the costs of independent advice and the benchmarking study, alongside the internal governance framework to support the IGC.

Members of the IGC at the end of 2025

Matt Cuhls – Independent Governance Committee Chair

Matt has over 25 years of experience in the pensions industry having performed a variety of senior roles delivering or overseeing customer service, product and process design and investment management. He is currently a Board member of Scottish Widows, Chair of International Financial Group Ltd, and works with The Pensions Ombudsman on handling consumer complaints. He has previously been a Managing Director within Phoenix Group and was CEO of ReAssure Ltd for ten years. He has been closely involved with the work of Independent Governance Committees since their inception. Matt became Chair of the IGC on 1 April 2025.

Jackie Wells – Independent Member

Jackie is an independent policy consultant and a governance professional. She has worked in the pension sector for many years and was involved in a wide range of policy initiatives, including stakeholder pensions and the implementation of the Pensions Commission recommendations. Jackie then completed an MSc in Gerontology and shifted her focus towards a wider range of ageing issues including later life finances. Jackie is an associate of PPI, a trustee of Age UK Wiltshire and an insight expert at the International Longevity Centre UK.

Roger Breeden– Independent Member

Roger Breeden is a Trustee Executive with independent trustee company BESTrustees, which he joined in 2021, and specialises in workplace Defined Contribution and Master Trust pension schemes. His financial services experience spans more than 40 years, the majority of which was with Mercer where most recently as a Partner he led the launch and successful authorisation of a Master Trust establishing operational and governance systems and processes. He started his career as a personal financial adviser which provided him with day-to-day experience of the needs of pension scheme members while both building and drawing down on their savings.

Tim Giles – Independent Member

Tim has 35 years of experience in the pensions and investment industry. He is a professional trustee representing the Independent Governance Group and overseeing a number of pension schemes. He led Aon's Investment Consulting and Fiduciary Management business for many years and has advised a number of leading pension schemes and financial institutions. He is a qualified actuary and has led a benefit administration business. His experience brings understanding of investments, governance and member experience.

Alan Greenlees – Independent Member

Alan Greenlees is a professional trustee with independent trustee company Zedra. He previously spent 15 years at XPS working closely with trustees and companies to design suitable DC investment strategies and test the effectiveness of investment performance in value for money assessments. He has a background in strategic planning and investment consultancy. Alan currently sits as an independent trustee for DB and DC pension schemes, as well as three Governance Advisory Arrangements, where he uses his investment experience to assess value for money.

Independence

ZEDRA, BESTrustees, IGG, Jackie Wells and Matt Cuhls are independent of Fidelity and are satisfied that they continue to meet the independence criteria set by the FCA:

- They or their representatives are not directors, managers, partners or employees of Fidelity, or any company within the groups, or paid by them for any role other than as members of the IGC, nor are they members of the share option or performance related pay schemes of Fidelity, nor have they been within the last five years
- They do not have a material business relationship of any description with Fidelity or any company within their group, and have not done so within the last three years (except as a Trustee of Fidelity's Master Trust)

We record any potential conflicts of interest in a log and consider them in accordance with our conflicts of interest policy.

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