SUMMARY OF THE INDEPENDENT GOVERNANCE COMMITTEE'S 2026 REPORT ON CONTRACT-BASED PENSIONS

Welcome to the summary of the 2026 annual report from the Independent Governance Committee (IGC) that covers the calendar year of 2025. Our job is to work in the best interests of all members of Fidelity's workplace pension schemes and to assess whether members are receiving Value for Money from their pension plans. The full report (found here) is our assessment of Value for Money, along with an update on the improvements we have seen throughout 2025 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.

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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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