



A bright start

✓ **Rhian Littlewood looks back at Phoenix Group's first year of its bulk purchase annuity (BPA) business rebrand to Standard Life and reveals its plans for the coming year**

➤ **Standard Life has recently announced its 2021 BPA business. Could you tell me more about this please, such as any trends spotted, or major deals achieved?**

We completed £5.5 billion in BPA transactions in 2021, more than double the volume we achieved in 2020. That was made up of £4 billion external and £1.5 billion with one of our own staff pension schemes, and we are really pleased to continue that successful partnership with our staff pension scheme.

The business also includes two of our largest deals to date – one for the Imperial Tobacco Pension Fund, a £1.8 billion pensioner buy-in, and another for the Gallaher Pension Scheme, which was our largest-ever full scheme buy-in transaction, at £1.7 billion. The latter was a particularly key deal for us as this was the first year that we were actively engaged in the market for full scheme transactions, so we were pleased to complete both the Gallaher deal and the full scheme buy-in with the PerkinElmer Pension Scheme in September 2021.

➤ **Last year also saw Phoenix rebrand as Standard Life; why was that the case?**

Phoenix Group acquired Standard Life's insurance business in 2018 and following this we acquired the Standard Life brand in 2021. This enabled us to go to the market using a brand that is well known and recognised by individuals, who are ultimately our end customer. We know that this is important to some trustees considering purchasing a bulk annuity, however it is equally important for our

customers to understand that they are not losing the strength and capability of Phoenix Group and the reputation that we have built in this market. We are still part of a FTSE 100 company, and we have all the financial strength and backing of Phoenix Group.

➤ **Having looked back at 2021, what do you see as key themes for the BPA market in 2022?**

I think a focus on members is likely to be a key theme. We have recently seen an increasing number of questions about what we can offer in terms of flexibility for members when they retire, and offering options for how they might want to take their benefits. This is a theme that has become increasingly significant for trustees, and it is becoming increasingly significant for insurers too.

There is also an increased focus on how insurers approach their ESG obligations when trustees are making decisions about providers. We see trustees starting to ask questions about how we invest the premium they pay us, around the sort of companies we invest in and how we use our influence over the companies we invest in, to encourage them to make more sustainable and environmentally sound decisions. We take our obligations around responsible investment very seriously. We're a substantial asset owner and it is important we use that position as an ambassador for change.

We also expect to see increased innovation to meet customer needs. For instance, this could be helping and supporting schemes whose sponsors are

in difficulty, schemes that may otherwise end up in the PPF. It might also be working with schemes that have previous transactions and finding solutions to help them finish off their buyout journey.

➤ **What are Standard Life's aspirations for the future with its BPA business?**

Standard Life's purpose and mission is to help people secure a life of possibilities. We see the BPA business as very central to that. We want to continue to develop and innovate so that we offer the very best service to our customers. For example, we work very closely with our colleagues in DC workplace pensions to ensure that we can offer integrated solutions with them.

We are making strong progress in integrating ESG considerations in every part of our business, and the BPA business helps to fund projects that we are really proud of. For example, last year we provided investment to build 1,000 energy-efficient affordable housing in Wales. We are looking forward to doing more of that, as well as working towards our net-zero operations investment portfolio.

Ultimately, we want to be recognised as a core part of the BPA market. We see ourselves continuing to grow in that space and we would love to work with trustees of all sizes and types of schemes.

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