



A member-first move

✓ **Gregg McClymont explains how, and why, B&CE wound up its stakeholder pension and moved its members to its The People's Pension master trust**

B&CE is a 78-year-old organisation, best known these days for The People's Pension master trust, but its roots lie firmly in construction and trade unions – not in high finance.

The company's not-for-profit structure encourages a long-term focus on members' best interests. The impending wind-up of B&CE's legacy EasyBuild Stakeholder Pension is a notable case in point.

In February 2018 the company transferred 460,000 members, and their combined assets of £1 billion, from EasyBuild into The People's Pension. This move was driven by B&CE's conviction that EasyBuild's almost half a million members should have access to the low charges and independent governance of a modern master trust run solely in their interests.

It takes an awful lot of money, time and effort to undertake this sort of transfer, navigating complex pension regulations, but B&CE's purpose – profit to members with no shareholders to pay – ensured that the company stayed the

course.

Now, we are in the final stages of closing down the EasyBuild scheme, giving the remaining 1,000 members the option of moving to The People's Pension to join nearly half a million former EasyBuild members already in the master trust, transfer to an alternative scheme, or withdraw their pensions savings if they are eligible to do so.

From the outset of the process, we vowed to make it as simple and easy as is possible for members to understand their options. We were clear that moving to The People's Pension was likely to be the right thing for most members, but we also offered members choices. The first step from a member point of view was the mailing of letters to EasyBuild's near 500,000 members setting out what we intended.

Our website carried clear information and the company took out national newspaper advertisements to maximise awareness of the changes. Our call centre team was fully briefed to speak with members who wanted to keep their money where it was; and in the end, 99.5

per cent of members consented to the transfer.

We undertook to ensure that no members suffered any loss or unhelpful changes to their savings by making sure they remained invested during the transfer. To avoid the costs that almost always come with buying and selling financial investments, we worked with the investment manager for both schemes. This was achieved by moving members' investments using an in-specie transfer – to transfer the ownership without buying or selling shares. In the second, and smaller, transfer of the remaining 1,000, B&CE will pick up the tab for the costs of trading, as part of our member-first philosophy.

Here at B&CE, we look at the three-year wind-up of EasyBuild with some pride. It highlights what can be achieved in moving members from legacy to modern arrangements, when a pension provider's values, ethos, and company structure put the interests of members first. With no shareholders demanding the maximisation of short-term profits, our owners – trade unions and employers – took the long-term view.

The People's Pension is now the largest private-sector master trust in the UK, with more than £9 billion in assets, 90,000 employers and nearly five million members.

It is true that what is best for our members in this case – winding up EasyBuild – comes at the expense of revenues to B&CE. But because we don't have profit-maximising shareholders to satisfy, we were able to take a decision squarely in the value for money interests of our members.



In association with

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pension