

Buyout comms - avoid the headaches!

Julia Fox explains how to get buyout comms right the first time

DB schemes are winding up left and right. At this point, the Quietroom team has worked on more of the accompanying communications than we care to count.

We've been asked to step in when buyout announcements go down badly. We've been called up to navigate the regulatory red tape of surpluses, AVCs and transfers. And (when we're lucky) we've been there from day one to help members understand and make the whole process easier on everyone.

It's gotten to the point where some of us could communicate buyout in our sleep. (At least one of us literally has.) So instead of reinventing this process, we decided to perfect it – into one suite of excellent member communications that any scheme can use.

We could avert disaster, but who was recording 'good feeling'?

When we set out to create a set of model buyout comms, we were aware which messages were likely to do well. We knew how to frame the buyout positively, when to reassure members, and where all the requisite legal messages slotted in.

What we didn't know was how members received them. There were no complaints, few calls, and even a couple of reports of happy members giving good feedback. But no data.

How well were people really understanding the journey to buyout and the reason for it? Who recognised that their scheme was closing? Was there anyone who just didn't understand a surplus well enough to get in touch?

It was time for proven member outcomes

Instead of relying on positive feedback,

we took our buyout comms straight to members. We got their first impressions and asked what they would do with the information. We asked if they understood it all, and then we quizzed them. If anything didn't hit the spot, we rewrote it until it did. And for all our experience, we learned a lot. Including:

1. Members want all the information, or almost none of it

Do you want to explain journey planning, covenants, and insurer ratings? Or just tell members their pension will continue to be paid for the rest of their lives? Because the hybrid approach doesn't work.

When we alluded to the wider context, members had questions. And when they have questions, they pick up the phone. So give them detail, or stick to the headlines.

2. Burying surplus options will get you into trouble

We've already seen what happens when members feel they don't have all the information they're owed about a surplus. (Spoiler, it involves a select committee and intervention from the regulator.) So we wanted to test which level of information members understood best and responded to positively. The winner? Total transparency.

Don't hide information for fear of your members' reaction. It's not just a bad idea, it tends to bring about the very thing you're trying to avoid.

3. You can't claim comprehension until you've tested it

In some of our earlier drafts, members reported that they fully understood the message. But when we tested them, some



couldn't recall important details and a few actually got it all wrong. Of course we want members to feel confident that they've understood something – but more than that, we need to make sure they really have.

Unfortunately, no one is a better communicator than a scammer. If you leave room for questions, you risk your members getting 'answers' in the wrong places.

What we don't know CAN hurt us

Even with the best intentions, you can't control how your message lands. Just because it's factual, doesn't mean it makes people feel the way you want them to. And when bad feelings have the power to upend your endgame, you can't really afford to rely on assumptions.

It took a couple of reworks to get 100 per cent positive results to our buyout comms, as well as the desired member outcomes to each individual letter. They were then checked by our legal partner, so we could be sure they meet schemes' disclosure requirements too.

The result? A buyout announcement that can't be misinterpreted. Surplus, AVC and transfer messages that tick every regulatory box. And a suite of comms designed to make your buyout a breeze.



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