

# Supporting DC members

## ✔ Donna Walsh considers how to support members with rising costs and fulfilling The Pensions Regulator's guidance

Amid the current economic uncertainty – and concerns that the value of some defined contribution (DC) pension pots has fallen – The Pensions Regulator (TPR) issued guidance in January 2023 for DC trustees on how they should support savers with the rising cost of living.

The guidance sets out a 20-point checklist on how trustees should strengthen their member support.

### How our existing member support satisfies TPR guidance

The guidance mirrors how Standard Life already supports master trust members and helps own trustees meet the 20-point checklist too.

Here are three of the ways that our support and communications already satisfy TPR guidance.

### Using insights to shape how we help members

TPR's guidance recommends that trustees use insights to inform their guidance and saver engagement plans.

Standard Life Master Trust Board chair, Richard Butcher, says: "We've been concerned about the rising cost of living for some time, and that members might opt out or opt down. While this may well be sensible when they have bills to pay, they could also do long-term harm to their future self."

To support trustees, we already gather data and monitor what members say and do, to ensure our support aligns with their individual circumstances. For instance, less than 1 per cent of our member calls mention rising costs.

With our research showing that 49 per cent of people are cutting back on everyday spending due to increased costs, we've added specific cost of living-related questions to our member surveys, so that we can continue to evolve the design of our insight-led support package with members' needs at its heart.

### Strengthening our support where it's needed most

Strengthening member support and targeting efforts towards those most in need of help is another recommendation from TPR's guidance.

At Standard Life, we've always focused on supporting vulnerabilities, including financial difficulty, long before the cost-of-living crisis took hold.

We've enhanced our existing support to cover a wide range of financial wellbeing topics that go beyond pensions – including how to check for eligible benefits and where to find local food banks.

We also partner with Samaritans, who provide additional training for our staff on how to listen and respond with empathy and compassion.

Richard says: "We're pleased to see how quickly Standard Life added to its already established vulnerable customer support, by making wider financial and mental wellbeing resources available for members."

### Providing reassurance and helping members to make informed decisions

Another recommendation from TPR's checklist is for trustees to review communications to ensure savers can make informed decisions about their



investments, especially given the short-term volatility.

"More members could become vulnerable due to financial stress and become more susceptible to scams or find it hard to make long-term, complex decisions. This makes it essential that decisions like these are made in an informed way," says Richard.

We include messaging in our annual benefit statements to reassure members that their pension is a long-term investment, and that they should consider taking a long-term view before making any decisions. This includes information on market volatility and the cost-of-living crisis, and how these can affect their pension savings. We also do this in the app, online dashboard, over the phone, at key decision points throughout member journeys.

These are just three ways we're already fulfilling the guidance set out by TPR. And we're proud to have measures in place that support each of TPR's 20-point checklist. We believe that through the strength of the governance of the master trust, including the collaboration between trustees and Standard Life to gather insights and react to change, we can continue to deliver to help towards better member outcomes.



✔ Written by Standard Life head of master trust, Donna Walsh

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