

# The market for Investment Consultancy services and Fiduciary Management services: experiences and views of pension scheme trustees

Technical Appendix  
CMA

**March 2018**





## Contents

<b>A</b>	<b>Sample design</b>	<b>6</b>
	Sample scope	6
	Sourcing the sample for schemes in scope for the survey	7
	Membership of schemes in scope for the survey	10
	Sampling technique	11
	Prioritisation of contacts and contact details	11
	Advance communication and postal contact	15
<b>B</b>	<b>Questionnaire design</b>	<b>16</b>
	Development and Structure	16
	Cognitive piloting	17
	Screening design	18
<b>C</b>	<b>Fieldwork</b>	<b>20</b>
	Technique	20
	Pilot fieldwork	20
	Mainstage fieldwork	20
	Response rates	22
<b>D</b>	<b>Analysis</b>	<b>26</b>
	Coding	26
	Edits made	26
	Weighting design: scheme weight	28
	Weighting design: membership weight	30
	Sampling error	32
	Implications of weighting for sampling error	32
	Sampling error and error margins achieved	33
	Analysis conventions	34
<b>E</b>	<b>Final Codeframe</b>	<b>35</b>
<b>F</b>	<b>Derived Variables</b>	<b>57</b>
<b>G</b>	<b>Materials: Advance letter</b>	<b>67</b>
<b>H</b>	<b>Materials: Questionnaire</b>	<b>71</b>

## Abbreviations and Common Terms

### Common Abbreviations

CMA	Competition and Markets Authority
DB	Defined Benefit
DC	Defined Contribution
FCA	Financial Conduct Authority
FM	Fiduciary Management
IC	Investment Consultancy
MT	Master Trust
PSRN	Pension Scheme Registry Number
TPR	The Pensions Regulator

### Common Terms

Actuary	A professional adviser able to conduct an actuarial valuation, and to advise on policy issues. DB schemes are required to have a named scheme actuary appointed by the trustees or managers of the occupational pension scheme.
Defined Benefit (DB) pension scheme	An occupational pension scheme in which the benefits are defined in the scheme rules and accrue independently of the contributions payable and investment returns. Most commonly, the benefits are related to members' earnings when leaving the scheme or retiring, and the length of pensionable service. Also known as 'final salary' or 'salary-related' scheme.
Defined Contribution (DC) pension scheme	An occupational pension scheme in which a member's benefits are determined by the value of the pension fund at retirement. The fund, in turn, is determined by the contributions paid into it in respect of that member, and any investment returns. Also known as 'money purchase' scheme.
Dual Section	A dual-section scheme has two sections, one offering Defined Contribution (DC) benefits, and the other offering Defined Benefit (DB) benefits. In other words, scheme members for each section are separate.
Fiduciary Management (FM)	The provision of a service to institutional investors where the provider makes and implements decisions for the investor based on the investor's investment strategy in the UK. This service may include responsibility for all or some of the investor's assets and may include, but is not limited to, responsibility for asset allocation and fund/manager selection.
Hybrid pension scheme	An occupational pension scheme which combines elements of Defined Benefit (DB) and Defined Contribution (DC) schemes.
Institutional Investors	Legal entities invested in funds or mandates, including pension schemes, charities, insurance companies, and endowment funds.
Investment Consultancy (IC)	The provision of advice in relation to strategic asset allocation, manager selection, fiduciary management and to employers in the UK.
Largest three providers	For the purposes of this research, Aon Hewitt, Mercer and Willis Towers Watson (WTW) are collectively referred to by the CMA as the 'three largest providers of IC and FM services' (later abbreviated to 'three largest providers'), based on 2016 revenues.
Master Trust (MT)	An occupational pension scheme established by declaration of trust which is, or has been, promoted to provide benefits to employees of employers

	which are not connected and where each employer group is not included in a separate section with its own trustees. For this purpose, employers are connected if they are part of the same group of companies (including partially owned subsidiaries and joint ventures).
Mixed Benefit	A type of Hybrid pension scheme which offers one set of benefits which has elements of both Defined Benefit (DB) and Defined Contribution (DC) schemes, such as a DC scheme with an underpin on a DB basis. In other words, an individual scheme member may draw both types of benefits.
Pension Scheme Registry Number (PSRN)	All pension schemes registered with TPR are given an eight-digit Pension Scheme Reference Number for identification of the scheme to government, and for the recording of data regarding the scheme.
Scheme size	Defined for the purposes of this scheme as: Small scheme – a pension scheme with 12 to 99 scheme members Medium scheme – a pension scheme with 100 to 999 scheme members Large scheme – a pension scheme with 1000 or more scheme member
Trustee	For the purposes of this research (although trustees exist in other contexts), a member of a pension scheme trustee board.
Trustee Board	For the purposes of this research, the governing body of a trust-based occupational pension scheme of any type. The trustee board has responsibility for the investment of the funds of the scheme and payment of benefits to members.

## A Sample design

### Sample scope

A.1 According to TPR (The Pensions Regulator) data provided for the purposes of this research<sup>1</sup>, there were 85,690 occupational pension schemes in the UK, as of July 2017. Not all of these schemes were considered suitable to take part in the research; some groups were excluded:

- Schemes of unknown size (around 4,750): not enough information was available about these schemes to include them in the sample scope.
- DC Contract-based schemes (around 2,340): these are work-based personal pension schemes, offered to employers by FCA regulated pension providers. These include group personal pension schemes (GPPs), group self-invested personal pension schemes (GSIPPs), and group stakeholder pension schemes (GSHPs). Such schemes do not usually have a trustee board, and are therefore outside the scope of the research.
- Public Sector and Public Service schemes (around 550): these schemes are managed in the public sector, and are therefore outside the scope of the research.
- Schemes with fewer than 12 members: although these make up the majority of occupational pension schemes (around 72,830, or 85% of all schemes), they are small in terms of membership, and the CMA decided that the research should focus on larger schemes.

A.2 The profile of schemes is shown in Table A.1, with schemes determined to be in scope for the research outlined in black. In total, around 7,150 occupational pension schemes with 21.155 million scheme members were estimated to be in scope.

**Table A.1 Occupational Pension Schemes in the UK, split by broad type and size band: July 2017, number of schemes**

Number of scheme members	Private sector: DB	Private sector: DC (Trust)	Private sector: Hybrid	Private sector: DC (Contract)	Public sector	Total
0 or 1		38,760		20	120	<b>38,890</b>
2 to 11	470	31,650	30	1,760	*	<b>33,940</b>
12 to 99	1,660	1,060	110	70	30	<b>2,940</b>
100 to 999	2,090	290	460	140	130	<b>3,110</b>
1,000 or more	770	200	520	340	240	<b>2,060</b>
Unknown		4,740		*	*	<b>4,750</b>
<b>Total (schemes)</b>		<b>82,800</b>		<b>2,340</b>	<b>550</b>	<b>85,690</b>
<b>Total (members)</b>		<b>21,285,000</b>		<b>20,966,000</b>	<b>17,011,000</b>	<b>59,262,000</b>

Source: Provisional TPR data provided for the purposes of research planning (July 2017)<sup>1</sup>; data rounded to the nearest 10 for schemes and 1,000 for scheme members. \* suppressed since result may be disclosive; cell contains fewer than five schemes or enables the value of a cell containing five or fewer schemes to be deduced.

<sup>1</sup> This data was provided for the purposes of research planning only, from an interim cut of TPR databases, and may not match published TPR data releases.

- A.3 To summarise, the groups within scope for the survey were private sector occupational pension schemes with 12 or more members and a trustee board, including cases where that board consisted of a single professional or corporate trustee.

#### Sourcing the sample for schemes in scope for the survey

- A.4 Pension schemes in the United Kingdom are regulated by The Pensions Regulator (TPR), which requires all pension schemes with two or more scheme members to provide it with certain information regarding the scheme, its members and its trustees. The details held by TPR include scheme-level details and the names and contact details of all scheme trustees. This data is not normally available for research purposes outside TPR. However, the Enterprise Act (EA02)<sup>2</sup> provides the CMA with the power to require bodies to provide them with information such as this, for the purposes of conducting its market investigations.
- A.5 After making the exclusions outlined above from data received from TPR in October 2017, the CMA provided data for all of the 7,102<sup>3</sup> schemes within the sample scope to IFF Research, closely in line with the prior estimate made during research planning in July 2017. Nearly two thirds (4,503, 63%) were DB schemes, a fifth (21%, 1,513) DC schemes, and one sixth (15%, 1,086) were Hybrid schemes<sup>4</sup>.
- A.6 Figure A.1 and Table A.3 show the profile of these schemes by type and size.

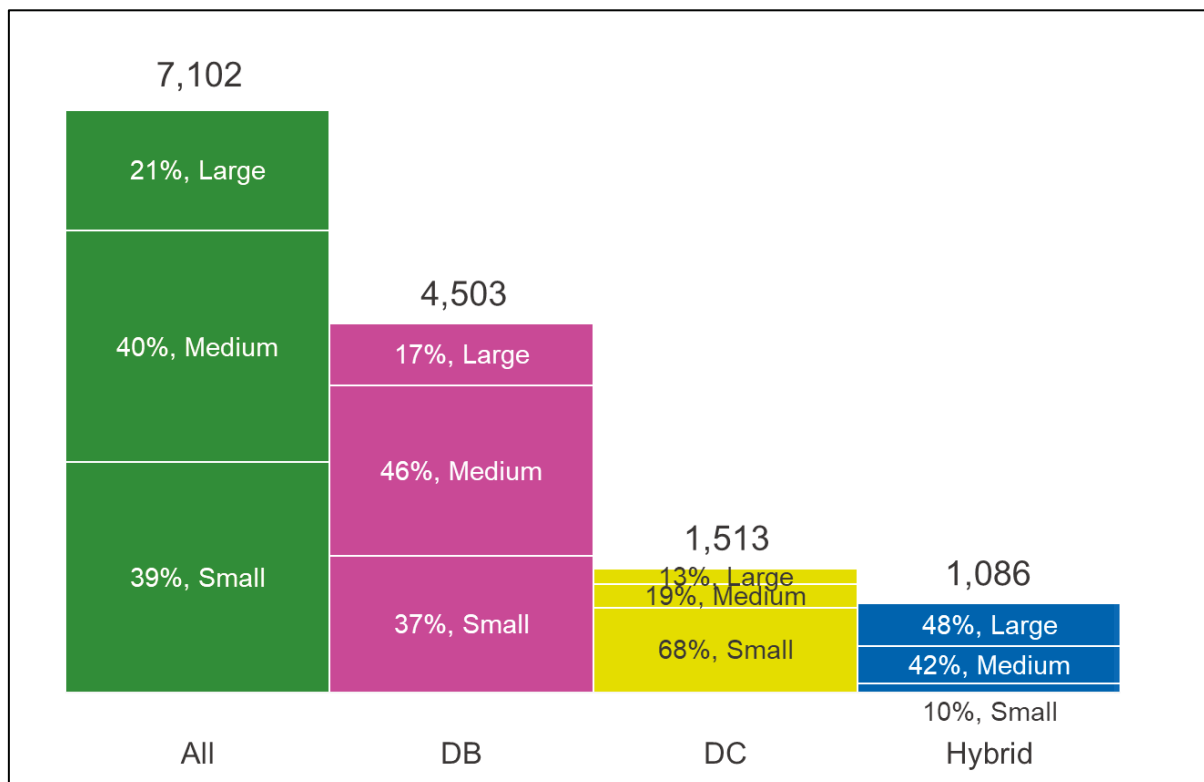
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<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2002/40/contents>

<sup>3</sup> This data was provided for the purposes of research planning only from an interim cut of TPR databases, and may not match published TPR data releases.

<sup>4</sup> A small number of DB schemes (five) and DC schemes (one) were reclassified as Hybrid schemes for the purposes of the research since they had both DB and DC members on the TPR data provided.

**Figure A.1 Schemes in scope for the survey**



Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>5</sup>

**Table A.2 Schemes in scope for the survey, by size band and scheme type**

Number of members	DB	DC	Hybrid	Total
12 to 99	1,660	1,036	109	2,805
100 to 999	2,081	282	460	2,823
1,000 or more	762	195	517	1,474
<b>Total</b>	<b>4,503</b>	<b>1,513</b>	<b>1,086</b>	<b>7,102</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>6</sup>

<sup>5</sup> Data was provided from an interim cut of TPR databases, so figures shown may not match published TPR data releases.

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A.7 Table A.4 shows a more detailed breakdown of scheme type, showing that the majority of Hybrid schemes in scope are Dual Section (73% of Hybrid schemes), rather than Mixed Benefit (27% of Hybrid schemes), and only a small proportion of DC schemes in scope are Master Trusts (5% of DC schemes). Table A.5 shows a more detailed breakdown of scheme type by size, for information.

**Table A.3 Schemes in scope for the survey, by size band and detailed scheme type**

Number of members	DB	DC: MT	DC: Not MT	Hybrid: Dual Section	Hybrid: Mixed Benefit	Total
12 to 99	1,660	8	1,028	60	48	<b>2,805</b>
100 to 999	2,081	16	266	321	139	<b>2,823</b>
1,000 or more	762	47	148	414	103	<b>1,474</b>
<b>Total</b>	<b>4,503</b>	<b>71</b>	<b>1,442</b>	<b>796</b>	<b>290</b>	<b>7,102</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>7</sup>

**Table A.4 Schemes in scope for the survey, by narrow size band and scheme type**

Number of members	DB	DC	Hybrid	Total
12 to 24	350	502	14	<b>866</b>
25 to 49	540	317	34	<b>891</b>
50 to 74	438	140	33	<b>611</b>
75 to 99	332	77	28	<b>437</b>
100 to 149	453	61	51	<b>565</b>
150 to 199	316	54	54	<b>424</b>
200 to 249	234	20	43	<b>297</b>
250 to 499	614	73	145	<b>832</b>
500 to 999	464	74	167	<b>705</b>
1,000 to 4,999	529	122	298	<b>949</b>
5,000 to 9,999	111	29	98	<b>238</b>
10,000 or more	122	44	121	<b>287</b>
<b>Total</b>	<b>4,503</b>	<b>1,513</b>	<b>1,086</b>	<b>7,102</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>8</sup>

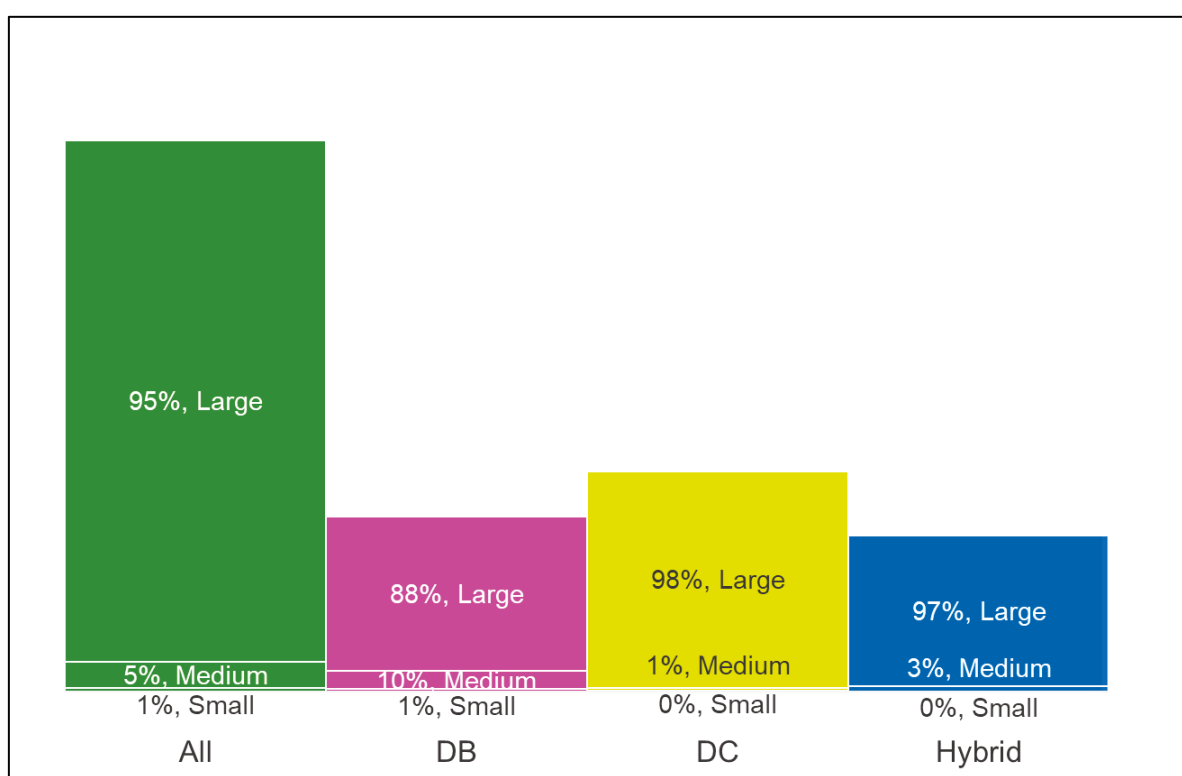
<sup>7</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

<sup>8</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

## Membership of schemes in scope for the survey

A.8 However, the combined total memberships of these schemes, also calculated from the TPR data submitted, show that the vast majority of members (94%, or 2.01m) are enrolled in a large scheme with 1,000 or more members, as shown in Figure A.2. This means that the design of the survey, outlined below, needed to reconcile the need to produce robust data representing all schemes in scope with the need to produce data relevant to the majority of scheme members, who are mostly found within large schemes. Table A.6 shows the absolute numbers of members for each type and size of scheme.

**Figure A.2 Combined total membership of schemes in scope for the survey**



Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>9</sup>

**Table A.5 Combined memberships of schemes in scope for the survey, by size band and scheme type**

Number of members	DB	DC	Hybrid	Total
12 to 99	81,729	34,782	6,007	<b>122,518</b>
100 to 999	703,586	100,542	200,564	<b>1,004,692</b>
1,000 or more	5,936,891	8,346,126	5,808,473	<b>20,091,490</b>
<b>Total</b>	<b>6,722,206</b>	<b>8,481,450</b>	<b>6,015,044</b>	<b>21,218,700</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>10</sup>

<sup>9</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

<sup>10</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

A.9 Table A.7 shows a more detailed breakdown of scheme type. Although only 5% of DC schemes are Master Trusts, as shown in Table A.4, more than four fifths (84%) of members of DC schemes are in Master Trusts.

**Table A.6 Combined memberships of schemes in scope for the survey, by size band and detailed scheme type**

Number of members	DB	DC: MT	DC: Not MT	Hybrid: Dual Section	Hybrid: Mixed Benefit	Total
12 to 99	81,803	392	34,390	3,377	2,630	<b>122,518</b>
100 to 999	704,711	6,611	93,931	143,360	57,204	<b>1,004,692</b>
1,000 or more	5,949,442	7,097,032	1,249,094	4,661,588	1,146,885	<b>20,091,490</b>
<b>Total</b>	<b>6,735,956</b>	<b>7,104,035</b>	<b>1,377,415</b>	<b>4,808,325</b>	<b>1,206,719</b>	<b>21,218,700</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>11</sup>

## Sampling technique

- A.10 The survey sampling was planned with the aim of producing statistics representative of the views of trustee boards of occupational pension schemes.
- A.11 Since it was not possible from industry or official data to reliably identify schemes in the survey scope that use IC services and FM services, the sampling process could not take this into account. Instead, usage of IC services and FM services was determined through the questionnaire.
- A.12 The data supplied by TPR included a record for every case in the survey scope (7,102). It included contact details for pension scheme trustees and the nominated scheme contact, where available, as well as a range of background information on the schemes (for example, number of scheme members and types of benefits paid to scheme members) which have also been used in this research for analysis purposes. The data also contains a unique Pension Scheme Registry Number (PSRN).
- A.13 Although the population of schemes in scope for the survey was 7,102, this does not take into account the fact that many schemes share trustee boards or individual trustees with other pension schemes. In addition, for a minority of schemes, no contact details were available for any trustee. Therefore, given the need to obtain an achieved sample of a size sufficient to allow analysis of the complexity required for the inquiry, a census approach was taken, with all pension schemes in scope with valid contact details included.
- A.14 Although the sampling frame was not stratified, it was split for monitoring and fieldwork prioritisation purposes into the size bands and broad scheme types shown in Figure A.1.

## Prioritisation of contacts and contact details

- A.15 As noted above, the survey was run as a census, and therefore all pension schemes in the sample scope were selected for use. However, each record provided by TPR contained up to

<sup>11</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

two scheme administration contacts and a variable number of trustee contacts (the largest being 18). Since it would be confusing and not technically feasible to provide all possible contacts (i.e. up to twenty) to interviewers on each occasion they were asked to speak to a pension scheme, it was necessary to prioritise contacts to use.

- A.16 It was considered essential for the purposes of the investigation that interviews were carried out with trustees of the pension schemes targeted. There was a strong emphasis on speaking to the scheme chair, since they are most likely to have an overview of the situation of the pension scheme. The overall aim of the prioritisation process, and subsequently the survey screener, was to ensure that the interviewer spoke to the best possible trustee for the survey, and did not speak to any non-trustees for the research, other than in passing when seeking to speak to a trustee.
- A.17 For practical reasons, a limit of four contacts was imposed for seeking an interview, although data on other trustees, where available, was retained in reserve. In addition, a lead contact was selected within this group, for sending the initial email and for making the first attempt(s) at telephone contact.
- A.18 It is important to note that although important, this process had no effect on some pension schemes; as shown in Table A.8, many pension schemes in scope (3,192, or 45%) had only a single trustee. In addition, a fifth (21%) of schemes had no identified chair.

**Table A.7 Number of trustees of schemes in scope for the survey, by scheme type**

Number of trustees listed*	DB	DC	Hybrid	Total
1	1,847	803	542	<b>3,192</b>
2	405	309	60	<b>774</b>
3	967	205	151	<b>1,323</b>
4	389	66	62	<b>517</b>
5	448	58	94	<b>600</b>
6 or more	447	72	177	<b>696</b>
<b>Total</b>	<b>4,503</b>	<b>1,513</b>	<b>1,086</b>	<b>7,102</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>12</sup>

\* Including companies acting as trustees

<sup>12</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

A.19 In order of priority, the following were selected as lead contact, for the sending of advance letters, and initial contact for interviews:

- Chair of trustees with phone number
- Sole trustee with phone number
- Nominated scheme contact, usually the employer. While this group of individuals were not generally trustees, and could not be interviewed, they were included on the basis that they could provide contact details for the chair or another trustee
- Listed trustees with phone numbers, in the order listed on the extract of the TPR database supplied to the CMA

A.20 The following four contacts were made available to interviewers, in all cases including the lead contact above:

- Chair of trustees (left blank if none available)
- Nominated scheme contact, usually the employer
- Up to two other listed trustees with phone numbers, in the order listed on the extract of the TPR database supplied to the CMA

A.21 Table A.9 shows the extent to which contacts were available from the data provided regarding schemes in scope in each of the categories above. Names and contact details provided were only useful for the purposes of the survey if the name and telephone number *combined* were not already listed for another scheme with more members. If multiple names were listed for the same telephone number, these were included in the fieldwork, as were multiple instances of the same name with different telephone numbers.

A.22 In total, non-duplicate contact details usable for the research were found to be available for 5,905 of 7,102 schemes in the sample scope, or about four fifths (83%) of the total.

**Table A.8 Contact status of schemes in scope for the survey**

Contact situation	Used as contact	% of all schemes in scope
<b>Pension schemes with a chair with usable contact details*</b>	<b>4,213</b>	<b>59%</b>
...of the remainder, with a sole trustee with usable contact details	334	5%
<b>Chair or sole trustee as lead contact</b>	<b>4,547</b>	<b>64%</b>
...of the remainder, with a nominated scheme contact with usable contact details	1,087	15%
<b>Chair, sole trustee or nominated scheme contact as lead contact</b>	<b>5,634</b>	<b>79%</b>
...of the remainder, with another trustee with usable contact details	271	4%
<b>Any usable contact details available*</b>	<b>5,905</b>	<b>83%</b>
<b>Remainder with no usable contact details available*</b>	<b>1,197</b>	<b>17%</b>
...of which had no trustees with usable contact details	486	7%
...of which had no trustees listed	711	10%
<b>Total schemes in scope</b>	<b>7,102</b>	<b>100%</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>13</sup>. \* Usable contact details are defined here as those with a valid UK phone number, and not a duplicate (by name and phone number combined) with a scheme with a larger number of scheme members.

A.23 Some contact details in the TPR data extract were not for a named chair or trustee, but for a company. This would typically occur where a company of professional trustees had been appointed, or where a trustee company was formed to administer the pension scheme.

A.24 When the contact was given as a company name rather than a personal name of a trustee, the survey script was designed to instruct interviewers to ask for the chair of the pension scheme, but also to name the company concerned, in case this assisted in finding them. In all, 3,035 records had a named person as contact (43% of all pension schemes in scope, and 51% of those with contact details available), as shown in Table A.10.

**Table A.9 Lead contacts: named people and companies**

Lead contact	Chair	Sole trustee	Scheme nominated contact	Other trustee	Total
Named person	2,761	9	n/a	265	<b>3,035</b>
Company	1,452	325	n/a	6	<b>1,783</b>
Unnamed	n/a	n/a	1,087	n/a	<b>1,087</b>
<b>Total</b>	<b>4,213</b>	<b>334</b>	<b>1,087</b>	<b>271</b>	<b>5,905</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey<sup>14</sup>

<sup>13</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

<sup>14</sup> Data was provided from an interim cut of TPR databases, and figures shown may not match published TPR data releases.

## Advance communication and postal contact

- A.25 All schemes with email addresses which were *not* identified as duplicate cases (i.e. having all trustees and contacts shared with another larger scheme in any case) were sent an introductory email, several days in advance of the fieldwork starting, using the CMA letterhead. A copy of the advance letter is provided in Section G.
- A.26 Where no email addresses were available, efforts were made to contact schemes by post. In most cases, however, where email and telephone numbers were not usable for the research, postal contact details were similarly not usable. As a result, the number of schemes contacted in this way was relatively small. A total of 330 pension schemes were contacted by post.
- A.27 Responses to emails and letters were logged by the research team and any new contact details resulting were added to the sample. It is likely that this enabled a small number of schemes in addition to the 5,905 above to be contacted, although a precise number cannot be given because those contacting us did not always state how they had become aware that the survey was in operation.

## B Questionnaire design

### Development and Structure

- B.1 The questionnaire was designed in a collaborative process by the CMA and IFF Research. An initial draft was produced by IFF Research after meeting with the CMA. A series of further telephone discussions and internal meetings at both the CMA and IFF Research followed, which led to the production of an agreed draft questionnaire. After this draft was produced, the survey was consulted upon with relevant stakeholders, including TPR and parties to the investigation.
- B.2 All materials used were signed off by the CMA in advance of being used.
- B.3 The survey was designed to be as accessible as possible, given the subject matter, to pension trustees with a lower level of expertise, as well as those with a high level of professional knowledge of the subject.
- B.4 The survey had a number of questions about respondent and scheme characteristics, followed by 'routed' sections asked depending on the scheme's use of IC services and FM services, and concluded with a short section on potential conflicts of interest in the market for IC services and FM services. As a general rule, where the scheme had multiple current IC and/or FM providers, the survey asked about the main IC provider and main FM provider (by value of contract), rather than asking in turn about each provider.
- B.5 The survey, as a general rule, also set a timeframe of the last five years for questions asking about past decisions or actions made by pension schemes. This was selected to strike a balance between only considering a small number of recent actions (and therefore acquiring too little information for analysis) and the likely practical knowledge of trustees regarding events taking place many years ago.
- B.6 The questionnaire had 18 sections<sup>15</sup>, as follows:
- (S) Screener
  - (A) Respondent characteristics and scheme characteristics
  - (B) Scheme governance
  - (C) IC services: background
  - (E) Monitoring the IC provider
  - (F) Switching or tendering for an IC provider
  - (G) Specific questions for those switching IC provider
  - (H) Specific questions for those tendering, but not switching IC provider
  - (I) Specific questions for those not tendering or switching IC provider
  - (J) Satisfaction with IC provider

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<sup>15</sup> There was no Section D.



- (K) FM services: background
- (L) First using FM services: decision-making and purchasing process
- (M) Monitoring the FM provider
- (N) FM provider fees
- (O) Switching or tendering for an FM provider
- (P) Specific questions for those not using IC and/or FM providers
- (Q) Potential conflicts of interest
- (Z) Re-contact preferences

## Cognitive piloting

- B.7 The questionnaire was tested through cognitive piloting, taking place on 16<sup>th</sup> to 19<sup>th</sup> October 2017. Because of the tight timetable, this took place before all comments had been received from stakeholders and parties.
- B.8 The same sample source was used as for the subsequent mainstage research, although not all prioritisation had been carried out at this stage, and so, to simplify, the sample used was filtered to target only schemes with a personally named chair with valid contact details. A total of 169 records were selected for this purpose, stratified by broad scheme type (80 DB, 64 DC and 25 Hybrid). Recruitment for the interviews was carried out by trained interviewers at IFF Research.
- B.9 Five telephone interviews took place in total, each carried out by members of the research team at IFF. They covered both DB and DC schemes, in all three size bands (12 to 99, 100 to 999 and 1000 or more scheme members). No Hybrid schemes were interviewed at the cognitive stage, due to a last-minute withdrawal by the booked interviewee on the last day of interviewing.
- B.10 The interviews were carried out on paper. All interviews were recorded. These followed a standard format for a cognitive interview, consisting of the full draft questionnaire, followed by a series of questions designed to assess how the interviewee had experienced the survey, and explore any areas of possible misunderstanding. No direct financial incentive was offered to the interviewee, but those taking part in the cognitive interviews were rewarded with a charitable donation of £50, made to a charity of their choice. Those taking part, or refusing to take part, were excluded from the sample for the pilot and mainstage research process; those who were sampled but who neither took part nor refused to take part were not excluded.
- B.11 The process gathered a range of constructive and useful feedback regarding both general aspects of survey design and the wording of individual questions. Some simplifications and modifications were made to the wording to ensure that it was as easy to understand as possible for trustees with a lower level of pension investment knowledge, and the wording of any questions which prompted confusion among respondents reviewed. It was also determined that the survey was considerably too long, and some initial cuts to questions were made at this stage. Particular thought was given to definitions of Investment Consultancy and Fiduciary Management, to reduce the likelihood of respondents incorrectly claiming to use IC services or FM services.

B.12 As detailed in Section C, the questionnaire design was further tested and amended through a further ten conventional pilot interviews. A copy of the final questionnaire is included in Section H.

### Screening design

B.13 Although the sample, as shown in Section A, contained a substantial amount of information regarding the names and details of trustees and chairs of trustees, a complex screening process was also considered necessary to ensure that the correct person was being spoken to. The screener also sought to build upon the sample prioritisation process by taking referrals to relevant trustees who were not prioritised or for whom usable contact details were not available, and ensuring that the trustee spoken to had the required knowledge to take part.

B.14 The screening process (included in the questionnaire in Section H) was fully scripted, although interviewers were permitted to deviate from the script in this section in wording, in order to respond to the wide variety of situations that might be encountered when seeking to speak to the right person.

B.15 Routes through the screener and the resulting key outcomes were as shown in the flowchart at Figure B.1, depending on the contact information available at the outset on the sample.

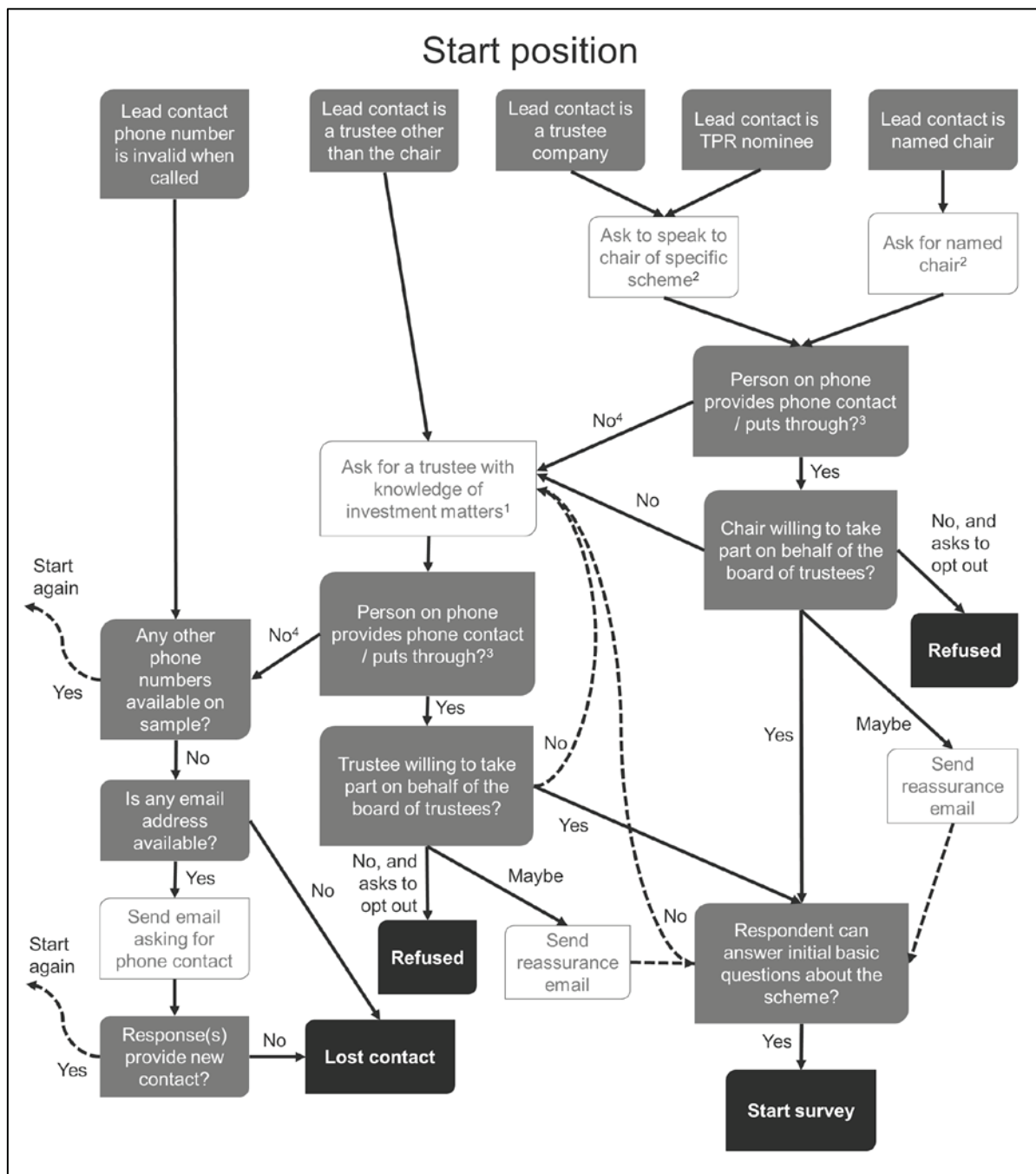
B.16 All respondents taking part were:

- Made aware of how their responses would be handled, including transfer of ID numbers allowing data matching to the CMA, in advance communications (see Section F), and/or through a compulsory read-out section of the screener (at question S2; see Section H).
- Asked to confirm (at question S1A) that they were a trustee of the specific named scheme. Other representatives of the scheme were not permitted to take part. Data was audited after gathering to ensure this was adhered to and nine cases removed.
- Asked to confirm (at question S1A) that they were able to speak on behalf of the board of trustees for the specific scheme.<sup>16</sup>
- Screened out if they were unable to comment on some basic facts about the scheme; in practice, use of these screen-outs was rare, with only five cases being screened out entirely on this basis:
  - Whether they were the chair of the board of trustees or not (no cases affected)
  - Their own trustee type (e.g. corporate, employer-appointed, member-nominated) (five cases affected)
  - The type of scheme (DB, DC, or Hybrid); they were permitted to disagree with the sample, but not to state that they did not know the scheme type (no cases affected).

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<sup>16</sup> Question wording, at S1A: "First of all, could I just check, are you a trustee, and able to speak on behalf of the board of trustees for <name of scheme>?"

**Figure B.1 Detailed screener structure, summarised in flowchart form**



## C Fieldwork

### Technique

- C.1 The pilot and mainstage surveys were carried out using a Computer Aided Telephone Interviewing (CATI) telephone interviewing system, based at IFF Research's in-house telephone centre. All interviewers used for the survey had already received detailed and in-depth training in telephone interviewing at IFF Research.
- C.2 All interviews were recorded, and a sample of interviews were monitored by IFF staff for quality and adherence to the questionnaire script. During initial fieldwork, CMA staff also visited IFF Research to listen to interviews taking place.

### Pilot fieldwork

- C.3 Pilot fieldwork was carried out on 9<sup>th</sup> and 10<sup>th</sup> November 2017 using the survey script arrived at after the cognitive interviews and consultation with stakeholders and parties to the investigation. The sample used was the same as for the mainstage research, as described in Section A.
- C.4 All interviewers were briefed on the detail of the CMA survey script, as well as the background context regarding the investigation. As well as IFF Research project team members, CMA staff attended the initial pilot briefing to explain the aims of the survey and to answer queries from interviewers and IFF Research staff. IFF senior field team members also attended to take notes to inform the day-to-day operation of fieldwork and to allow the briefing of further interviewers as necessary.
- C.5 In total, ten pilot interviews were completed from 395 telephone calls (including calls not answered), by a total of six interviewers. If a respondent could not take part during the pilot, appointments were made for the mainstage fieldwork, rather than seeking an alternative respondent.
- C.6 After the pilot, results and recordings were reviewed by IFF Research staff, including patterns of response and overall survey lengths. A face-to-face debrief of interviewers also took place with IFF project team members. Recommendations were then made to the CMA, and discussed via email and in a conference call. In addition, at this stage the survey script was further shortened in length, by reducing the number of questions asked of those who use both IC services and FM services.
- C.7 A short pause in interviewing followed to allow amends to the CATI script to be programmed and tested. A copy of the final questionnaire is included in Section H.

### Mainstage fieldwork

- C.8 Mainstage fieldwork started on 14<sup>th</sup> November 2017, and continued until 5<sup>th</sup> January 2018, with a break between 23<sup>rd</sup> December 2017 and 1<sup>st</sup> January 2018 inclusive for Christmas and New Year. It was felt that trustees would be unlikely to respond positively to survey-related phone calls during that time.
- C.9 In total, the fieldwork period consisted of 33 days, or 6½ working weeks. This period was necessary to allow the arranging of interviews with senior people working within large and complex organisations.

- C.10 As for the pilot, all interviewers were briefed on the detail of the CMA survey script, as well as the background context regarding the investigation. IFF Research project team members attended the initial mainstage briefing to explain the aims of the survey and to answer queries from interviewers. IFF senior field team members also attended to take notes to inform the day-to-day operation of fieldwork and to allow the briefing of further interviewers as necessary.
- C.11 A small number of amends to the script were made during the early stages of mainstage fieldwork to further optimise the screener, and correct errors. It is worth noting that the base to question F12 was amended to correct an error; initially it was only asked of those who found the process of identifying the best investment consultancy for their scheme at tender difficult, rather than all those tendering for an investment scheme.
- C.12 As detailed in Section B, the screener design enabled interviewers to take referrals to individuals not named on the sample, and to send both introductory emails (where no phone number for a suitable trustee was available) and reassurance emails. Email replies were monitored by the research team, who also updated sample and booked additional appointments for interviewers to call schemes back.
- C.13 Mainstage interviewing proceeded well. For the first week of interviewing response rates were relatively low due to the time lag in locating the correct respondent and booking a time for the interview. Many respondents were in senior positions at their employer and had very busy diaries requiring booking several days or weeks in advance.
- C.14 Fieldwork was monitored by IFF field staff and the project team throughout, and weekly progress reports provided to the CMA. As a result, in the final seven working days of fieldwork, large schemes (1000+ members), Master Trusts, DC and Hybrid schemes were prioritised in order to achieve larger numbers of interviews in these categories, to maximise the usefulness of the dataset for analysis. This was done by running through sample in these categories each day, before allowing any sample for other schemes (DB schemes with less than 1000 members) to be called, other than booked appointments.
- C.15 In total, 45 interviewers worked on the project, with an average of ten interviewers working on each day of fieldwork. 31,445 telephone calls were made during the mainstage phase of the research (including those where the phone was not answered).
- C.16 The final questionnaire, taking into account both pilot and mainstage interviews, took an average of 24 minutes and 14 seconds to carry out. Table C.1 shows survey lengths for key categories of respondent.

**Table C.1 Survey length: by usage of IC services and FM services**

	Number of interviews measured	Average length
Using IC services only	409	23:49
Using FM services only	21	25:38
Using both FM services and IC services	187	30:26
Using neither type of services	113	15:13
Length information not available*	236	n/a
<b>Total</b>	<b>966</b>	<b>24:14</b>

Source: IFF Research survey statistics

\* Due to technical limitations, timing information is not available in cases where the interview included calls to multiple phone numbers.

## Response rates

C.17 A total of 975 interviews were conducted across the pilot and mainstage. Nine of these were later discarded, in all cases due to a person who was not a trustee being mistakenly interviewed, giving a total of 966 valid interviews.

C.18 This equated to a raw response rate of 14% of the number of schemes in scope (7,102 records); however, a significant portion of the schemes in scope were uncontactable. As already noted in Section A, 17% of the schemes in scope (1,197 records) had no contact details that were usable for the purposes of the research, leaving 5,905 schemes with usable contact details for research purposes<sup>17</sup>. A small number of schemes without usable contact details supplied initially (19) were included in the telephone fieldwork as a result of email and postal contact. Further to this, for another 14% of the schemes in scope (1,010 records), the telephone number supplied proved to be invalid or incorrect on calling. This left 4,900 records which were contactable at the start of fieldwork.

<sup>17</sup> Either because all contacts for the pension scheme were also contacts for another pension scheme with a larger number of scheme members, or because contact details were invalid or non-UK phone numbers.

C.19 A detailed summary of survey outcomes, including the reasons interviews were not achieved with schemes, where available, is shown in Table C.2.

**Table C.2 Response rate: summary**

	Number of records	% of sample provided	% of available records at fieldwork start	% of contactable records
<b>Records provided</b>	<b>7,102</b>	100%	n/a	n/a
No usable contact details identified at sampling stage*	-1,197	17%	n/a	n/a
Contact established via postal/email contact	+19	*	n/a	n/a
Total records with usable contact details	<b>5,924</b>	83%	n/a	n/a
Completed cognitive interview	-5	*	n/a	n/a
Refused / dropped out at cognitive interview	-9	*	n/a	n/a
<b>Available records at fieldwork start with usable contact details</b>	<b>5,910</b>	83%	100%	n/a
Telephone number found or claimed to be invalid or incorrect on calling**	-1,010	14%	17%	n/a
<b>Contactable records</b>	<b>4,900</b>	69%	83%	100%
Scheme wound up (no longer exists)	-101	1%	2%	2%
Lost contact – no email given***	-123	2%	2%	3%
Lost contact – no trustee with sufficient knowledge	-3	*	*	*
Lost contact – email sent, but did not result in further telephone contact	-237	3%	4%	5%
Refused or opted out prior to interview	-803	11%	14%	16%
Refused after interview start	-82	1%	1%	2%
Interview deemed invalid	-9	*	*	*
Remaining records available for interviewing at fieldwork close	-2,574	36%	44%	53%
<b>Completed survey</b>	<b>966</b>	<b>14%</b>	<b>16%</b>	<b>20%</b>

Source: IFF Research survey statistics

\* See Section A for statistics on contactable sample.

\*\* This would include deadlines, wrong numbers (including situations where the person answering the phone states that the phone number is incorrect for the named contact), and fax machines.

\*\*\* Includes refusal or inability to refer to a suitable trustee, and referral to an invalid phone number.

C.20 As can be seen in Tables C.3 to C.5 below, response rates varied significantly between key sub-groups. DC schemes were less likely to take part (13% response) than DB schemes (22%) or Hybrid schemes (21%). These variations were mostly due to differences in willingness to take part in the survey, rather than variations in the quality of the sample, although for schemes with 12 to 99 members a smaller proportion of sample was found to be contactable (64%, compared to an average of 73% for the other two groups).

C.21 Although the survey was a census, due to these variations in response rate, corrective weighting was required for analysis (see Section D).

**Table C.3 Response rate: by sub-group**

Scheme type	Initial sample provided	Contactable sample	Number of completed surveys	Response rate as a % of schemes in sample scope	Response rate as a % of contactable sample
DB	4,503	3,135	679	15%	22%
DC	1,513	978	125	8%	13%
Hybrid	1,086	787	162	15%	21%
<b>Total</b>	<b>7,102</b>	<b>4,900</b>	<b>966</b>	<b>14%</b>	<b>20%</b>

Source: IFF Research survey statistics

**Table C.4 Response rate: by size band**

Scheme members	Initial sample provided	Contactable sample	Number of completed surveys	Response rate as a % of schemes in sample scope	Response rate as a % of contactable sample
12 to 99	2,805	1,785	259	9%	15%
100 to 999	2,823	2,050	454	16%	22%
1000 or more	1,474	1,065	253	18%	24%
<b>Total</b>	<b>7,102</b>	<b>4,900</b>	<b>966</b>	<b>14%</b>	<b>20%</b>

Source: IFF Research survey statistics



**Table C.5 Response rate: by narrow size band**

Scheme members	Initial sample provided	Contactable sample	Number of completed surveys	Response rate as a % of sample provided	Response rate as a % of contactable sample
12 to 24	866	522	58	7%	11%
25 to 49	891	576	82	9%	14%
50 to 74	611	383	67	11%	17%
75 to 99	437	304	52	12%	17%
100 to 149	565	415	105	19%	25%
150 to 199	424	303	69	16%	23%
200 to 249	297	216	40	13%	19%
250 to 499	832	595	122	15%	21%
500 to 999	705	521	118	17%	23%
1,000 to 4,999	949	682	179	19%	26%
5,000 to 9,999	238	169	36	15%	21%
10,000 or more	287	214	38	13%	18%
<b>Total</b>	<b>7,102</b>	<b>4,900</b>	<b>966</b>	<b>14%</b>	<b>20%</b>

Source: IFF Research survey statistics

C.22 Table C.6 shows the total response achieved to the survey, by size and scheme type.

**Table C.6 Distribution of responses by size band\* and scheme type**

Scheme members	DB	DC	Hybrid	Total
12 to 99	201	51	7	<b>259</b>
100 to 199	143	11	20	<b>174</b>
200 to 999	206	21	53	<b>280</b>
1,000 to 4,999	98	23	58	<b>179</b>
5,000 or more	31	19	24	<b>74</b>
<b>Total</b>	<b>679</b>	<b>125</b>	<b>162</b>	<b>966</b>

Source: IFF Research survey statistics \* Size bands shown as used for weighting; see Section D

## D Analysis

### Coding

- D.1 At several points in the questionnaire, responses in the form of open text were possible. These occurred either at 'Other specify' questions where a respondent wished to provide an answer which did not fit into any of the codes provided, or at open questions, where an open text response was actively sought. All open text responses were typed out by interviewers during the interview; this element of the interview was a particular focus for review by IFF Research Quality Control staff, to ensure the highest quality of responses possible.
- D.2 A code frame was constructed during fieldwork by IFF Research's dedicated coding team, including all pre-codes at 'Other specify' questions and additional suggested codes. The codeframe was agreed in an iterative process with the project team. This was used to classify responses for analysis.
- D.3 Data derived from coding was then extensively checked by the research team, with a minimum of 10% of open text responses and codes attached checked at each question. In practice given the level of detail required, the level of checking at open text questions was much higher, at over 50% in many cases. Further iterative code frame revisions were made based on this, and the open text responses and codes re-checked at each stage. The resulting coded data was incorporated in the final tables and dataset.
- D.4 The final code frame is shown in Section E.

### Edits made

- D.5 In a number of situations, it was necessary to edit data. This was where it was clear that the data gathered was incorrect. All edits affecting more than two cases are listed below. In all cases, edits were carried through to all derived variables based on the questions concerned:
- Mergers and renaming of IC providers and FM providers were taken into account by merging codes at questions C2, C2A, G2, K2 and K2A. By design, it was possible to provide names of providers that no longer exist at these questions, for ease of survey use. Respondents claiming to be customers of such a company (or mentioning an extant company under a former or alternative trading name) were assumed to be customers of its successor organisation, as listed below.
    - Willis, and Towers Watson → Willis Towers Watson (WTW)
    - Aon, and Hewitt → Aon Hewitt
    - Simon Jagger → Jagger Associates
    - Punter Southall and Xafinity → Xafinity Punter Southall
    - Mitchell and Broadstone → Mitchell Broadstone
    - Psolve and River & Mercantile → Psolve River and Mercantile

- Where a respondent cited IC providers that do not provide IC services at Question C2 or C2A<sup>1819</sup>, these responses were removed. If all providers mentioned by the respondent were not IC providers, it was assumed that the respondent was mistaken in their belief that the scheme bought IC services. This occurred in eight cases, and in these cases all responses relating to IC services or providers were removed, and 'Not asked' responses entered for questions that according to the questionnaire design should be asked of those not using IC services.
- Where a respondent cited FM providers that do not provide FM services at Question K2 or K2A<sup>2021</sup>, these responses were removed. If all providers mentioned by the respondent were not FM providers, it was assumed that the respondent was mistaken in their belief that the scheme bought FM services. This occurred in 18 cases, and in these cases all responses relating to FM services or providers were removed, and 'Not asked' responses entered for questions that according to the questionnaire design should be asked of those not using FM services.
- A few respondents made a statement in an open text response regarding switching IC provider that suggested that in fact it was their first purchase of IC services, rather than a case of switching provider. Where this occurred, the open text response was taken to be correct. This affected six cases, and in these cases all responses relating to the switching process were removed, and 'Not asked' responses entered for questions that according to the questionnaire design should be asked of those not switching IC provider.
- At question L5, some respondents claimed both to have run the tender with no external help, and to have engaged a third party to run the tender. It was assumed that in fact the tender was run by a third party, and that the reference to 'by yourself' was misinterpreted as referring personally to the individual involved. This affected 18 cases; in each case the response regarding running a tender by yourself was removed.
- At B5, backcoding affected the base size. This affected 3 cases, who were not asked the question as a result. These were coded to 'Don't know'.

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<sup>18</sup> These providers were identified in conjunction with the CMA at an interim stage during fieldwork. This process, conducted part-way through fieldwork, took a conservative approach to deleting data and mandated the removal of respondent data only where the organisation cited could be readily verified as *not* being a provider of IC services. It is therefore likely that some cases of respondents mistakenly identifying an IC provider remain in the survey dataset. These cases are therefore included in the bases for questions asked of those buying IC services.

<sup>19</sup> This affected respondents who claimed to receive IC services from Abbey Life, Aviva, Axa, Baillie Gifford, DAC Beachcroft, DLA Piper, Grant Thornton, Norwich Union, Prudential or Scottish Widows.

<sup>20</sup> These providers were identified in conjunction with the CMA at an interim stage during fieldwork. This process, conducted part-way through fieldwork, took a conservative approach to deleting data and mandated the removal of respondent data only where the organisation cited could be readily verified as *not* being a provider of FM services. It is therefore likely that some cases of respondents mistakenly identifying an FM provider remain in the survey dataset. These cases are therefore included in the bases for questions asked of those buying FM services.

<sup>21</sup> This affected respondents who claimed to receive FM services from Abbey Life, Aviva, Axa, Baillie Gifford, DAC Beachcroft, DLA Piper, Grant Thornton, Norwich Union, Prudential or Scottish Widows.

## Weighting design: scheme weight

- D.6 After coding and edits were applied, the dataset was weighted. The weighting scheme was designed by IFF Research and modified in consultation with the CMA.
- D.7 Applying a weight was considered necessary because (as shown in Section C) response rate varied between key groups on the dataset. For example, DC schemes had a response rate of 13%, compared to 22% for DB schemes. In other circumstances, it might be possible to compensate by oversampling or prioritising DC sample during fieldwork, thus making weighting unnecessary. However, because the number of schemes in scope and contactable (4,900) was relatively small in comparison to the desired number of interviews to achieve, a census approach needed to be taken to maximise the total number of responses, ruling both of these options out.
- D.8 If no weighting were applied to the dataset obtained, DC schemes would make up 13% of the dataset, even though they make up 21% of all schemes in scope. Without weighting, the actions and opinions of DC schemes would therefore be given lesser weight than the sampling frame suggests they should receive.
- D.9 Therefore, a weighting profile was derived from the sample data (which could be used for this purpose because it included all 7,102 schemes identified by TPR as being in-scope for the research), and applied to the survey dataset. In simple terms, weighting involves treating one survey response as representing more or less than one scheme.
- D.10 To give an example, 125 DC schemes responded to the survey, fewer than would be expected given their numbers in the sample. If all types of scheme had been equally likely to respond, giving a perfectly representative dataset, TPR data indicates that 206 DC schemes would have replied. In order to make the dataset representative, each DC scheme would have to be taken to represent 1.646 schemes ( $125 \text{ responses} \times 1.646 \text{ multiplier (weight)} = 206 \text{ weighted responses}$ ). The same logic would be applied to other types of scheme, which would be taken to represent less than one scheme.
- D.11 In practice, because response rates vary by both size and type, a weighting grid by size and scheme type was produced to align the profile of the dataset with the profile of schemes in scope according to TPR data submitted as sample for the survey. This is shown in Table D.1. The multipliers (weights) shown below were applied to each case in the dataset with those characteristics, so a DB scheme with between 12 and 99 members (so in the DB, 12 to 99 'cell') was taken to represent 1.123 schemes of this type.
- D.12 The banding of scheme members used in the weighting scheme varies from that used elsewhere in the report; this approach was taken to take into account variation within broader size bands of the rate of response (as shown in Table C.5). In addition, the number of size bands used is reduced for DC and Hybrid schemes. This decision was taken because of the relatively small number of schemes in these weighting cells; the reasons for this are explained in the next section.

**Table D.1 Weighting specification: scheme weights (multipliers) applied to each cell**

Scheme members	DB	DC	Hybrid
12 to 99	1.123	2.763	2.118
100 to 199	0.731	1.199	0.857
200 to 999	0.866		
1,000 to 4,999	0.734	0.632	0.858
5,000 or more	1.022		

Source: IFF Research weighting specification

D.13 As shown in Tables D.2 to D.4, the application of the multipliers shown in Table D.1 results in a weighted dataset which shows a profile almost exactly in line with the population of schemes in scope. Please note that each percentage figure in these tables is individually rounded for clarity of viewing, and some rows and columns do not sum exactly to 100% as a result; all calculations were in fact carried out using unrounded data.

**Table D.2 Unweighted dataset: percent of all schemes (responses) in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	21%	5%	1%	27%
100 to 199	15%	3%	8%	18%
200 to 999	21%			29%
1,000 to 4,999	10%	4%	8%	19%
5,000 or more	3%			8%
<b>Total</b>	<b>70%</b>	<b>13%</b>	<b>17%</b>	<b>100%</b>

Source: Survey dataset, unweighted

**Table D.3 Weighted dataset: percent of all schemes (weighted responses) in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	23%	15%	2%	39%
100 to 199	11%	4%	6%	14%
200 to 999	18%			26%
1,000 to 4,999	7%	3%	7%	14%
5,000 or more	3%			7%
<b>Total</b>	<b>63%</b>	<b>21%</b>	<b>15%</b>	<b>100%</b>

Source: Survey dataset, scheme weight

**Table D.4 Population data - Schemes in scope: percent of all schemes in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	23%	15%	2%	39%
100 to 199	11%	4%	6%	14%
200 to 999	18%			26%
1,000 to 4,999	7%	3%	7%	13%
5,000 or more	3%			7%
Total	63%	21%	15%	100%

Source: TPR (October 2017); scheme data submitted as sample for the survey

### Weighting design: membership weight

D.14 In addition, at the CMA's request, a membership weight was added to the data. The rationale for this is that while figures derived from the scheme weight are representative of the situation of pension schemes in scope, they may not necessarily in all cases represent the situation of the average pension scheme member. This is because some schemes contain a far larger number of members than others. Therefore, a dataset membership weight was also calculated; figures produced using this weight are representative of the situation of pension scheme members, rather than the situation of pension schemes.

D.15 To calculate this weight, there were two basic steps carried out.

- Firstly, an initial weight (multiplier) is set to equal the number of total scheme members the *individual scheme interviewed* has, according to TPR data regarding the scheme. In this way, rather than representing a single scheme, each response to the survey is taken to represent the number of members of the scheme.
- Secondly, a weighting grid – as for the scheme weight – is calculated based on this to align the resulting profile of memberships with the profile of the memberships of the schemes in scope, according to TPR data regarding all schemes in the sample scope. This is shown in Table D.5.
- Finally, the resulting data was grossed down to the overall number of responses from schemes (966).

**Table D.5 Weighting specification: membership weights (multipliers) applied to each cell**

Scheme members	DB	DC	Hybrid
12 to 99	1.893	4.627	5.359
100 to 199	1.341	2.199	1.468
200 to 999	1.510		
1,000 to 4,999	1.325	0.574	1.924
5,000 or more	2.294		

Source: IFF Research, weighting specification

D.16 As shown in Tables D.6 to D.8, the application of the multipliers shown in Table D.1 results in a weighted dataset which shows a profile almost exactly in line with the membership of schemes in scope. Please note that each percentage figure in these tables is individually rounded for clarity of viewing, and some rows and columns do not sum exactly to 100% as a result; all calculations were in fact carried out using unrounded data.

**Table D.6 Unweighted dataset: percent of all memberships (responses) in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	-	-	-	-
100 to 199	-	-	1%	-
200 to 999	2%	-	1%	3%
1,000 to 4,999	4%	68%	14%	8%
5,000 or more	10%	68%	14%	89%
<b>Total</b>	<b>16%</b>	<b>69%</b>	<b>15%</b>	<b>100%</b>

Source: Survey dataset, unweighted

**Table D.7 Weighted dataset: percent of all memberships (weighted responses) in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	-	-	-	1%
100 to 199	1%	-	1%	1%
200 to 999	3%	-	1%	4%
1,000 to 4,999	5%	39%	27%	11%
5,000 or more	23%	39%	27%	83%
<b>Total</b>	<b>32%</b>	<b>40%</b>	<b>28%</b>	<b>100%</b>

Source: Survey dataset, membership weight

**Table D.8 Population data - Schemes in scope: percent of all memberships in each cell**

Scheme members	DB	DC	Hybrid	Total
12 to 99	-	-	-	1%
100 to 199	1%	-	1%	1%
200 to 999	3%	-	1%	4%
1,000 to 4,999	5%	39%	27%	10%
5,000 or more	22%	39%	27%	85%
<b>Total</b>	<b>32%</b>	<b>40%</b>	<b>28%</b>	<b>100%</b>

Source: TPR (October 2017); scheme data submitted as sample for the survey

## Sampling error

D.17 As with all surveys, results are subject to sampling error, since due to random variation the distribution of responses among those trustee boards participating in the research may vary from the true distribution in the population.

### Implications of weighting for sampling error

D.18 The weighting described above enables findings representative of either the population of schemes or population of members to be presented from the survey dataset, rather than findings representative only of the profile of schemes interviewed. However, there are some important limitations.

D.19 For simplicity, the weighting scheme can only take into account a limited number of variables. If response rate varies substantially based on a characteristic other than number of scheme members and scheme type (DB, DC or Hybrid), this may have an impact on the results. The decision was taken not to include additional variables in the weighting scheme on the basis that:

- The data available regarding schemes did not contain all variables which might have a bearing on response rate (e.g. use of IC services). To weight on a variable, there must be a known and reliable profile to match to from an external data source, in a compatible format.
- The more complex the weighting scheme the greater the likelihood of very large or very small weights being applied to individual cases, especially where base sizes are small.

D.20 The use of corrective weighting has an impact on the size of the sampling error of the results produced using it. To use the example of DC schemes again, if a weight is applied so that 125 responses appear as 206 schemes in survey results, the sampling error of a result for DC schemes remains the same in percentage terms as for a dataset with 125 responses, rather than 206. This means that when producing findings for any result including those responses, the sampling error is increased.

D.21 This is usually called the 'weighting effect'. It is possible to take the weighting effect into account in calculations of sampling error or significant differences by calculating an effective sample size for each statistic, to use in place of the sample size. This effective sample size has been taken into account in calculations made for this report, and is shown on the survey tables, published separately. For scheme weighted data, with 966 responses overall, the effective sample size is 799.

D.22 Because a high proportion of pension scheme members are represented by a small proportion of schemes interviewed, the weighting effect for membership weighted data is very large, and consequently the effective sample size and statistical significance of data produced in this way is very low; for this reason, in general this report uses scheme weighted data.



## Sampling error and error margins achieved

D.23 A table of base sizes, effective sample sizes and error margins for key sub-groups is shown in Tables D.9 and D.10.

**Table D.9 Base sizes, effective sample sizes and error margins, for data weighted by scheme: by scheme type**

	DB	DC	Hybrid	Total
Base size (number of interviews)	679	125	162	<b>966</b>
Effective sample size	658	94	150	<b>799</b>
Error margin* (99% confidence)	± 5.0%	± 13.1%	± 10.4%	± 4.5%
Error margin* (95% confidence)	± 3.8%	± 10.1%	± 8.0%	± 3.5%

Source: TPR (October 2017); scheme data submitted as sample for the survey. \* Calculated on a result of 50% (worst case); error margins on figures closer to 0% or 100% will be smaller.

**Table D.10 Base sizes, effective sample sizes and error margins, for data weighted by scheme: by number of scheme members**

Scheme members	10 to 99	100 to 999	1000 or more	Total
Base size (number of interviews)	259	454	253	<b>966</b>
Effective sample size	216	446	248	<b>799</b>
Error margin* (99% confidence)	± 8.6%	± 6.0%	± 8.1%	± 4.5%
Error margin* (95% confidence)	± 6.7%	± 4.6%	± 6.2%	± 3.5%

Source: TPR (October 2017); scheme data submitted as sample for the survey. \* Calculated on a result of 50% (worst case); error margins on figures closer to 0% or 100% will be smaller.

## Analysis conventions

- D.24 Where a difference mentioned between two figures based on survey results is reported in this document, it is because it is not only of interest, but also statistically significant at the  $p < 0.05$  level. In tables and charts, where a sub-group figure is marked with a star (\*) this means that a significant difference ( $p < 0.05$ , as detailed in the section above) has been detected for this figure, relative to the figure produced for all other sub-groups combined. Differences reported on in report text are always significant differences, unless stated otherwise. If a figure is too small to show on a table or chart ( $<0.5\%$ , or less than the figure to which numbers in the table are rounded) it is replaced with “-”.
- D.25 ‘Don’t know’, ‘Refused’ and ‘Not asked’<sup>22</sup> responses are included in question bases throughout, unless otherwise specified.
- D.26 Results produced using base sizes of less than 50 are redacted from charts and tables, although they may be referred to in the text. Results produced using a base size of less than 100 are flagged throughout as having a low base size (†). Base sizes shown on charts and in tables in the report are actual numbers of interviews; effective sample sizes are available in the report tables.

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<sup>22</sup> Covering situations where a question should have been asked of a respondent but was not, due to post-survey coding and edits.

## E Final Codeframe

Question	
<b>a2._05</b>	<b>Could you please confirm your role as a trustee for the scheme. Are you a...</b>
1	Corporate trustee
2	Employer-appointed trustee
3	Member-nominated trustee
4	Professional trustee
5	OTHER
6	Not a trustee - something else
7	Don't know
8	Independent trustee
9	Secretary to trustees
10	Sponsor-nominated trustee
<b>a6._05</b>	<b>What type of scheme is it?</b>
1	Defined Benefit scheme (DB)
2	Defined Contribution Master Trust
3	Other trust-based Defined Contribution scheme (DC)
4	Hybrid scheme
5	OTHER
6	Don't know
7	None of these
<b>c2._098</b>	<b>Who do you buy investment consultancy services from?</b>
1	Agile
2	Albourne
3	Allenbridge
4	AllianceBernstein
5	Allianz Global Investors Europe GmbH
6	AON Hewitt
7	Ascot Lloyd
8	Atkin & Co.
9	Barker & Tatham
10	Barnett Waddingham
11	Bath Actuarial Consultants
12	BBS Consultants & Actuaries
13	Bfinance
14	Blackrock
15	BNP Paribas Investment Partners UK Limited
16	Broadstone Corporate Benefits Ltd
17	Bucks Consultants
18	BWCI group
19	Cambridge Associates

20	Cannacord Genuity
21	Cantab Asset Management
22	Capita
23	Cardano
24	Cartwright
25	Charles Stanley Pan Assets
26	Conduent
27	Congruent Financial Partners
28	Cosan
29	Dean Wetton Advisory
30	Deloitte & Touche
31	Deutsche Asset Management
32	Ernst & Young (EY)
33	Fidelity
34	First Actuarial
35	Gatemoor
36	Go Pensions
37	Goldman Sachs Asset Management
38	H&C consulting
39	Hamish Wilson Ltd
40	Hewitt
41	Hymans Robertson
42	IC Select
43	Independent Investment Associates Ltd
44	Isinglass
45	Jagger
46	Jardine Lloyd Thompson Group (JLT)
47	John Forbes Consulting
48	Joseph G Byrn and Sons
49	Kempen Fiduciary Management
50	Kerr Henderson
51	KGC
52	Kim Gubler
53	KPMG
54	Lane Clark Peacock (LCP)
55	Legal & General Investment Management
56	M F S International UK Ltd
57	Mercer
58	Millman
59	Mitchell Consulting Actuaries
60	Momentum
61	Muse
62	National Pensiontrust
63	Nest

64	Nigel Sloam & Co
65	Northern Trust
66	OAC
67	People Pensions
68	Pi consulting
69	Premier Pensions Management Ltd
70	PriceWaterhouseCoopers (PwC)
71	PSITL
72	Psolve
73	Punter Southall
74	Quantum
75	Quattro pensions
76	Redington
77	Risk First
78	River and Mercentile
79	Russell Investments
80	Schroders
81	SEI Investments Limited
82	Simon Jagger Associates
83	Spence and Partners
84	Stamford
85	Standard life
86	State Street
87	Supertrust
88	Towers Watson
89	Trigon
90	UBS Asset Management (UK) Ltd
91	Welplan
92	Willis Towers Watson (WTW)
93	Workers Pension Trust
94	Xafinity
95	Xerox
96	Zephyrus
97	Zurich
98	OTHER
99	Don't know
100	Refused
101	Aberdeen Asset Management
102	Abbey Life Assurance
103	Aegon
104	Alcentra
105	Anderson Strathearn
106	Argentis
107	Arthur J Gallagher

108	Asset Risk
109	Aviva
110	Axa
111	Baillie Gifford
112	Barclays Wealth
113	Blackstone
114	Brewin Dolphin
115	Brooks Macdonald
116	Brown Shipley
117	Cazenove Capital Management
118	Cedar Rock
119	Charles Taylor
120	Charter Allan Financial Services
121	Chartermarque
122	Clairville York
123	Clerical Medical
124	Clifton Asset Management
125	Conning
126	Cornelian
127	Courtiers
128	Creative Benefit Solutions
129	DAC Beachcroft Wealth & Asset Management
130	Demna Consulting Ltd
131	DLA Piper
132	Employee Benefits Partnership Ltd
133	First Actuarial
134	Friends Provident
135	Friends Life
136	Fulcrum
137	Gallium Fund Solutions
138	Gemmels
139	GLT Benefits Solutions
140	Goddard Perry Consulting
141	Golden Square Wealth Management Ltd
142	Grant Thornton
143	Harding Roberts and Company
144	Henderson Group
145	Hughes Price Walker
146	Infocus
147	Insight Investment Management
148	Investec
149	Investment Solutions
150	Jackson Jeffrey Financial Services
151	LEBC

152	Lewis & Partners
153	LGT Vestra
154	Link Asset Services
155	Lloyds Bank Investment Managers
156	Longview Partners
157	Matiolli Woods PLC
158	M & G
159	MGI
160	Millen Capital
161	Moore Stephens
162	Newell Palmer
163	Newton
164	Noble Investments
165	Norwich Union
166	Old Mutual
167	Pensions Benefit Services Limited (PBSL)
168	Phoenix Wealth Management
169	Premier Financial Management
170	Prismatic Wealth
171	Prudential
172	Purple Asset Management
173	Quilter Cheviot
174	Rathbones
175	Redington
176	Regent
177	Rixons Wealth Management
178	Rothschilds
179	Royal London
180	RSM Tenon
181	Ruffer
182	Russell Ulyatt Financial Services Ltd
183	Sarasin and Partners
184	Satis Asset Management
185	Scottish Equitable
186	Scottish Widows
187	Seven Investment Management
188	Signpost Financial Planning
189	Smith and Williamson
190	Smith Cooper
191	St James Place Wealth Management
192	Sovereign
193	Sunrise of Canada
194	SVM Asset Management
195	Thomas Miller Investments

196	Thompson Consulting
197	Thomson Dickson
198	Threadneedle
199	Tilney Group
200	Tyndale Investments
201	Vantage
202	Verulam Gemmells
203	Wardour Partners
204	Watkins Davies
205	Wealth Solutions
206	Wesleyan Insurance Policy
207	Wilshire Associates
208	Winterbourne Group
209	Womble Bond Dickinson Wealth
<b>c7._05</b>	<b>Apart from investment consultancy services, does the board of trustees buy any of these other services from your investment consultant?</b>
1	Actuarial services
2	Asset management
3	Fiduciary management
4	Scheme administration
5	Other
6	None of these
7	Don't know
8	Payroll Services
9	Legal services / Advice
10	Accounting services
11	General consulting
12	Auditing
13	Training
14	Trustee services
15	Covenant advice
<b>f12</b>	<b>What, if anything, would have made it easier to identify the best investment consultancy based on the proposals you received? WRITE IN</b>
1	Standardised benchmarks / proposal format
2	More information (e.g. investment strategy and fees)
3	Improved trustee knowledge / ability
4	Improved expertise / attention to detail among providers
5	Nothing
6	Other
7	Clear track record
8	Source of recommendations / references / reviews
9	Refused to answer



<b>f7._08</b>	<b>Why didn't you invite tenders or proposals from more providers?</b>
1	Advisors only recommended one or two providers
2	Trustees had existing relationship(s) with certain provider(s)
3	Trustees had a preference for certain provider(s)
4	Other providers lacked a track-record
5	Other providers could not have met our needs
6	Lack of information about other providers
7	To help to keep the process simple / manageable
8	Other
9	Don't know
<b>g2._098</b>	<b>When you switched your provider of investment consultancy, which company did you switch from?</b>
1	Agile
2	Albourne
3	Allenbridge
4	AllianceBernstein
5	Allianz Global Investors Europe GmbH
6	AON Hewitt
7	Ascot Lloyd
8	Atkin & Co.
9	Barker & Tatham
10	Barnett Waddingham
11	Bath Actuarial Consultants
12	BBS Consultants & Actuaries
13	Bfinance
14	Blackrock
15	BNP Paribas Investment Partners UK Limited
16	Broadstone Corporate Benefits Ltd
17	Bucks Consultants
18	BWCI group
19	Cambridge Associates
20	Cannacord Genuity
21	Cantab Asset Management
22	Capita
23	Cardano
24	Cartwright
25	Charles Stanley Pan Assets
26	Conduent
27	Congruent Financial Partners
28	Cosan
29	Dean Wetton Advisory
30	Deloitte & Touche

31	Deutsche Asset Management
32	Ernst & Young (EY)
33	Fidelity
34	First Actuarial
35	Gatemoor
36	Go Pensions
37	Goldman Sachs Asset Management
38	H&C consulting
39	Hamish Wilson Ltd
40	Hewitt
41	Hymans Robertson
42	IC Select
43	Independent Investment Associates Ltd
44	Isinglass
45	Jagger
46	Jardine Lloyd Thompson Group (JLT)
47	John Forbes Consulting
48	Joseph G Byrn and Sons
49	Kempen Fiduciary Management
50	Kerr Henderson
51	KGC
52	Kim Gubler
53	KPMG
54	Lane Clark Peacock (LCP)
55	Legal & General Investment Management
56	M F S International UK Ltd
57	Mercer
58	Millman
59	Mitchell Consulting Actuaries
60	Momentum
61	Muse
62	National Pensiontrust
63	Nest
64	Nigel Sloam & Co
65	Northern Trust
66	OAC
67	People Pensions
68	Pi consulting
69	Premier Pensions Management Ltd
70	PriceWaterhouseCoopers (PwC)
71	PSITL
72	Psolve
73	Punter Southall
74	Quantum

75	Quattro pensions
76	Redington
77	Risk First
78	River and Mercentile
79	Russell Investments
80	Schroders
81	SEI Investments Limited
82	Simon Jagger Associates
83	Spence and Partners
84	Stamford
85	Standard life
86	State Street
87	Supertrust
88	Towers Watson
89	Trigon
90	UBS Asset Management (UK) Ltd
91	Welplan
92	Willis Towers Watson (WTW)
93	Workers Pension Trust
94	Xafinity
95	Xerox
96	Zephyrus
97	Zurich
98	OTHER
99	Don't know
100	Refused
101	Aberdeen Asset Management
102	Abbey Life Assurance
103	Aegon
104	Alcentra
105	Anderson Strathearn
106	Argentis
107	Arthur J Gallagher
108	Asset Risk
109	Aviva
110	Axa
111	Baillie Gifford
112	Barclays Wealth
113	Blackstone
114	Brewin Dolphin
115	Brooks Macdonald
116	Brown Shipley
117	Cazenove Capital Management
118	Cedar Rock

119	Charles Taylor
120	Charter Allan Financial Services
121	Chartermarque
122	Clairville York
123	Clerical Medical
124	Clifton Asset Management
125	Conning
126	Cornelian
127	Courtiers
128	Creative Benefit Solutions
129	DAC Beachcroft Wealth & Asset Management
130	Demna Consulting Ltd
131	DLA Piper
132	Employee Benefits Partnership Ltd
133	First Actuarial
134	Friends Provident
135	Friends Life
136	Fulcrum
137	Gallium Fund Solutions
138	Gemmels
139	GLT Benefits Solutions
140	Goddard Perry Consulting
141	Golden Square Wealth Management Ltd
142	Grant Thornton
143	Harding Roberts and Company
144	Henderson Group
145	Hughes Price Walker
146	Infocus
147	Insight Investment Management
148	Investec
149	Investment Solutions
150	Jackson Jeffrey Financial Services
151	LEBC
152	Lewis & Partners
153	LGT Vestra
154	Link Asset Services
155	Lloyds Bank Investment Managers
156	Longview Partners
157	Matiolli Woods PLC
158	M & G
159	MGI
160	Millen Capital
161	Moore Stephens
162	Newell Palmer

163	Newton
164	Noble Investments
165	Norwich Union
166	Old Mutual
167	Pensions Benefit Services Limited (PBSL)
168	Phoenix Wealth Management
169	Premier Financial Management
170	Prismatic Wealth
171	Prudential
172	Purple Asset Management
173	Quilter Cheviot
174	Rathbones
175	Redington
176	Regent
177	Rixons Wealth Management
178	Rothschilds
179	Royal London
180	RSM Tenon
181	Ruffer
182	Russell Ulyatt Financial Services Ltd
183	Sarasin and Partners
184	Satis Asset Management
185	Scottish Equitable
186	Scottish Widows
187	Seven Investment Management
188	Signpost Financial Planning
189	Smith and Williamson
190	Smith Cooper
191	St James Place Wealth Management
192	Sovereign
193	Sunrise of Canada
194	SVM Asset Management
195	Thomas Miller Investments
196	Thompson Consulting
197	Thomson Dickson
198	Threadneedle
199	Tilney Group
200	Tyndale Investments
201	Vantage
202	Verulam Gemmells
203	Wardour Partners
204	Watkins Davies
205	Wealth Solutions
206	Wesleyan Insurance Policy

207	Wilshire Associates
208	Winterbourne Group
209	Womble Bond Dickinson Wealth
<b>g4</b>	<b>What, if anything, would have made the switching process easier? WRITE IN</b>
1	Reduce complexity of process
2	Better cooperation between parties
3	Nothing
4	Clearer information, terms & conditions etc
5	Change process to remove gap between advisors
6	Exit fees / T&C's
7	Other
8	Don't know / NA
9	Refused to answer
<b>h1._09</b>	<b>You told me that you tendered or invited proposals, but didn't switch to another provider of investment consultancy services for the scheme. Why did the board of trustees decide not to switch?</b>
1	Existing provider improved terms
2	Existing provider was generally strongest
3	Lack of options / lack of tenders/proposals
4	Other suppliers' proposals were no better than that of existing provider
5	Reputation of existing provider
6	Preferred to avoid uncertainty of going with another provider
7	Didn't want to lose expertise built up with existing provider
8	Preferred to avoid time/effort/cost of actually switching
9	Other
10	Don't know
11	Process is still active
12	N/A - first appointment
13	Cost
14	Did not appoint any provider
<b>h2</b>	<b>What, if anything, would have made it easier for you to switch provider? {#probefully}WRITE IN</b>
1	Greater cost benefit
2	Standard proposal format
3	Expertise in our type of scheme
4	Better provider
5	Other
<b>i1._10</b>	<b>You said that you have not switched nor run a tender exercise or invited proposals for your provider of investment consultancy in the last 5 years. What were the board of trustees' reasons for not doing this?</b>
1	Content with current provider

2	Too soon to judge current provider
3	Don't want to lose expertise built up by existing provider
4	Not confident an alternative provider would do better
5	Preferred to avoid time/effort/cost of tendering/switching
6	Scheme is too small to justify doing so
7	Had a bad experience of doing so in the past
8	Renegotiated terms with existing/current provider
9	Have not considered doing so
10	Other
11	Don't know
12	Lack of providers for small pension schemes
13	The scheme is winding down / closed
14	Employer/ sponsor decision
15	Plans to tender in the future
16	Considering / In the process
17	We ran an informal review / benchmarking exercise
<b>i2</b>	<b>What, if anything, would make the board of trustees more likely to switch, or run a tender exercise or invite proposals, in the future?</b>
1	Poor service
2	Unsatisfactory investment advice
3	Unsatisfactory investment performance
4	A change in the key people/advisers we deal with
5	Increase in fees
6	Changes in the market
7	Pressure from the sponsor or employer
8	Will consider in planned review / currently considering
9	Independent metrics
10	Other
11	Reduction in the cost of tendering
12	Deterioration in communication / loss of trust
13	Change of scheme strategy / circumstances
14	Nothing - scheme closing / winding up
<b>k2_098</b>	<b>Who do you buy fiduciary management services from?</b>
1	Agile
2	Albourne
3	Allenbridge
4	AllianceBernstein
5	Allianz Global Investors Europe GmbH
6	AON Hewitt
7	Ascot Lloyd
8	Atkin & Co.
9	Barker & Tatham

10	Barnett Waddingham
11	Bath Actuarial Consultants
12	BBS Consultants & Actuaries
13	Bfinance
14	Blackrock
15	BNP Paribas Investment Partners UK Limited
16	Broadstone Corporate Benefits Ltd
17	Bucks Consultants
18	BWCI group
19	Cambridge Associates
20	Cannacord Genuity
21	Cantab Asset Management
22	Capita
23	Cardano
24	Cartwright
25	Charles Stanley Pan Assets
26	Conduent
27	Congruent Financial Partners
28	Cosan
29	Dean Wetton Advisory
30	Deloitte & Touche
31	Deutsche Asset Management
32	Ernst & Young (EY)
33	Fidelity
34	First Actuarial
35	Gatemoor
36	Go Pensions
37	Goldman Sachs Asset Management
38	H&C consulting
39	Hamish Wilson Ltd
40	Hewitt
41	Hymans Robertson
42	IC Select
43	Independent Investment Associates Ltd
44	Isinglass
45	Jagger
46	Jardine Lloyd Thompson Group (JLT)
47	John Forbes Consulting
48	Joseph G Byrn and Sons
49	Kempfen Fiduciary Management
50	Kerr Henderson
51	KGC
52	Kim Gubler
53	KPMG



54	Lane Clark Peacock (LCP)
55	Legal & General Investment Management
56	M F S International UK Ltd
57	Mercer
58	Millman
59	Mitchell Consulting Actuaries
60	Momentum
61	Muse
62	National Pensiontrust
63	Nest
64	Nigel Sloam & Co
65	Northern Trust
66	OAC
67	People Pensions
68	Pi consulting
69	Premier Pensions Management Ltd
70	PriceWaterhouseCoopers (PwC)
71	PSITL
72	Psolve
73	Punter Southall
74	Quantum
75	Quattro pensions
76	Redington
77	Risk First
78	River and Mercentile
79	Russell Investments
80	Schroders
81	SEI Investments Limited
82	Simon Jagger Associates
83	Spence and Partners
84	Stamford
85	Standard life
86	State Street
87	Supertrust
88	Towers Watson
89	Trigon
90	UBS Asset Management (UK) Ltd
91	Welplan
92	Willis Towers Watson (WTW)
93	Workers Pension Trust
94	Xafinity
95	Xerox
96	Zephyrus
97	Zurich

98	OTHER
99	Don't know
100	Refused
101	Aberdeen Asset Management
102	Abbey Life Assurance
103	Aegon
104	Alcentra
105	Anderson Strathearn
106	Argentis
107	Arthur J Gallagher
108	Asset Risk
109	Aviva
110	Axa
111	Baillie Gifford
112	Barclays Wealth
113	Blackstone
114	Brewin Dolphin
115	Brooks Macdonald
116	Brown Shipley
117	Cazenove Capital Management
118	Cedar Rock
119	Charles Taylor
120	Charter Allan Financial Services
121	Chartermarque
122	Clairville York
123	Clerical Medical
124	Clifton Asset Management
125	Conning
126	Cornelian
127	Courtiers
128	Creative Benefit Solutions
129	DAC Beachcroft Wealth & Asset Management
130	Demna Consulting Ltd
131	DLA Piper
132	Employee Benefits Partnership Ltd
133	First Actuarial
134	Friends Provident
135	Friends Life
136	Fulcrum
137	Gallium Fund Solutions
138	Gemmels
139	GLT Benefits Solutions
140	Goddard Perry Consulting
141	Golden Square Wealth Management Ltd

142	Grant Thornton
143	Harding Roberts and Company
144	Henderson Group
145	Hughes Price Walker
146	Infocus
147	Insight Investment Management
148	Investec
149	Investment Solutions
150	Jackson Jeffrey Financial Services
151	LEBC
152	Lewis & Partners
153	LGT Vestra
154	Link Asset Services
155	Lloyds Bank Investment Managers
156	Longview Partners
157	Matiolli Woods PLC
158	M & G
159	MGI
160	Millen Capital
161	Moore Stephens
162	Newell Palmer
163	Newton
164	Noble Investments
165	Norwich Union
166	Old Mutual
167	Pensions Benefit Services Limited (PBSL)
168	Phoenix Wealth Management
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170	Prismatic Wealth
171	Prudential
172	Purple Asset Management
173	Quilter Cheviot
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176	Regent
177	Rixons Wealth Management
178	Rothschilds
179	Royal London
180	RSM Tenon
181	Ruffer
182	Russell Ulyatt Financial Services Ltd
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184	Satis Asset Management
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186	Scottish Widows
187	Seven Investment Management
188	Signpost Financial Planning
189	Smith and Williamson
190	Smith Cooper
191	St James Place Wealth Management
192	Sovereign
193	Sunrise of Canada
194	SVM Asset Management
195	Thomas Miller Investments
196	Thompson Consulting
197	Thomson Dickson
198	Threadneedle
199	Tilney Group
200	Tyndale Investments
201	Vantage
202	Verulam Gemmells
203	Wardour Partners
204	Watkins Davies
205	Wealth Solutions
206	Wesleyan Insurance Policy
207	Wilshire Associates
208	Winterbourne Group
209	Womble Bond Dickinson Wealth
<b>I1._08</b>	<b>Thinking back to when you first bought fiduciary management for your scheme, who, if anyone, prompted you to consider buying these services? We mean the first time EVER that you bought fiduciary management, which was not necessarily from your current provider.</b>
1	Our investment consultant at that time
2	Another investment consultant
3	A different type of advisor
4	The employer / sponsor (e.g. CEO or Finance Director)
5	A fiduciary management provider
6	A third-party evaluator
7	Trustees' own initiative
8	OTHER
9	Don't know
10	Insurer
11	Pension scheme administrator
12	Actuary
<b>I7._08</b>	<b>Why didn't you invite tenders or proposals from more providers?</b>
1	Advisors only recommended one or two providers

2	Trustees had existing relationship(s) with certain provider(s)
3	Trustees had a preference for certain provider(s)
4	Other providers lacked a track-record
5	Other providers could not have met our needs
6	Lack of information about other providers
7	To help to keep the process simple / manageable
8	OTHER
9	Don't know
10	No need
11	Small scheme
<b>o4._09</b>	<b>You said that you have not switched nor run a tender exercise for your provider of fiduciary management in the last 5 years. What were the board of trustees' reasons for not doing this?</b>
1	Content with current provider
2	Too soon to judge current provider
3	Don't want to lose expertise built up by existing provider
4	Not confident an alternative provider would do better
5	Preferred to avoid time/effort/cost of tendering/switching
6	Had a bad experience of doing so in the past
7	Renegotiated terms with existing/current provider
8	Have not considered doing so
9	OTHER
10	Don't know
11	Scheme is winding up / closing
12	Scheme too small
13	Guaranteed bonus / incentive would be lost
<b>p1._09</b>	<b>You say that, to your knowledge, the scheme's trustees have never bought investment consultancy services for the scheme. Why is that?</b>
1	Needs better met by in-house advisors
2	Haven't considered
3	Don't believe it will lead to better outcomes for the scheme
4	Too expensive or not cost-effective
5	No legal obligation to do so
6	Too complicated to buy or to oversee investment consultants
7	Don't want to delegate decision-making
8	Concerns that investment consultants might have conflicts of interest
9	OTHER
10	Don't know
11	Small business / Small scheme
12	Scheme is winding up / closing
13	Scheme is fully insured / managed by pension company (annuity)
14	Someone else deals with it

15	Trustees have required knowledge
16	Individual pensioners take decisions
<b>p2._10</b>	<b>You say the scheme currently doesn't buy investment consultancy services but did so previously. Why did the board of trustees stop using investment consultancy services?</b>
1	No longer needed as buy fiduciary management instead
2	No longer needed following change in scheme circumstances or objectives
3	Needs better met by in-house advisors
4	Service received contributed to poor performance of scheme
5	Service was too expensive / not cost-effective
6	Too complicated to buy or to oversee the investment consultant
7	Didn't want to delegate decision-making
8	Concerns that investment consultants might have conflicts of interest
9	Customer service was poor
10	OTHER
11	Don't know
13	Scheme winding up / closing
14	Previous advisor retired and has not been replaced
<b>p4._13</b>	<b>You said earlier that you have never bought fiduciary management for the scheme, that is, where the trustee board delegates some decision-making and implementation to a fiduciary manager, for some or all of the scheme's assets. Why is that? If they say "advised against it by an investment consultant" or similar please ask: 'Was this by your your current investment consultant, or another investment consultant?'</b>
1	Advised against it by current (main) investment consultant
2	Advised against it by another investment consultant
3	Needs better met by in-house advisors
4	Haven't considered
5	Don't believe it will lead to better outcomes for the scheme
6	Too expensive or not cost-effective
7	No legal obligation to do so
8	Too complicated to buy or to oversee the fiduciary manager
9	Don't want to delegate decision-making
10	Concerns that FM providers are not transparent enough about their investments / methods
11	FM does not have a long enough track-record
12	Not appropriate for scheme circumstances or objectives
13	Other
14	Don't know
15	Scheme is too small
16	Will consider/ do in the future
17	Trustees have required knowledge
18	Needs met by existing advisors

19	Pensioners manage own assets
20	Scheme is fully insured / managed by pension company (inc. annuity)
21	Scheme winding down / closing
22	Too risky / scheme takes conservative approach
<b>p8</b>	<b>Can you tell me a bit more about how investment decisions are taken for your scheme, and what, if any, advice trustees do take?</b>
1	Trustees have the required knowledge
2	Fund Managers
3	Handled by a third party agent
4	Members manage own assets
5	Pension administrator
6	Sponsor or employer makes recommendations
7	Take advice from a pension consultant / Scheme actuary
8	Take advice from pension provider / insurer
9	Taking advice from a Financial Adviser
10	Third party insurance company
11	We don't make investment decisions
12	Take advice internally
	Answers where types of advice are given in addition to who from
13	Advice on equities and bonds
14	Legal advice
15	OTHER
16	Scheme closing / winding up
<b>q6</b>	<b>What, if anything, would you support to mitigate any of the potential conflicts of interest that you consider may be problematic?</b>
1	Disclosure of corporate links / relationships
2	Disclosure of asset manager fees / rewards
3	More information provided regarding investments
4	Ban gifts / hospitality
5	Disclosure of hospitality/gifts
6	Transparency / disclosure (unspecified)
7	Clarity around FM/IC provider fees, charges or T&C's
8	FM/IC providers not being permitted to buy/recommend their own products
9	FM/IC providers not receiving compensation from asset managers
10	Separation of businesses and areas of business that give rise to conflict (unspecified/other)
11	Separation of FM and IC
12	Other changes to regulation
13	Adherence to current policies
14	Clearer code of conduct
15	Changes to the tendering process
16	Improve trustee knowledge to spot conflicts of interest

17	Require or encourage trustees to have independent advice or reviewing
18	Provide standards / tools for benchmarking / comparing providers
19	Increased competition / more players in the market / break up big firms
20	Nothing
21	Don't know
22	Other
23	Refused to answer



## F Derived Variables

**Table F.1 Derived variables used to produce survey tables**

Derived variable	Code	Derivation
Break: Scheme type	DB	Benefit type on sample file provided by TPR is "Defined Benefit", and the count of total DC members is zero or blank
	DC	Benefit type on sample file provided by TPR is "Defined Contribution", and the count of total DB members is zero or blank
	Hybrid	Benefit type on sample file provided by TPR is "Hybrid", or there are both DB and DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR
	Hybrid: Dual Section	Benefit type on sample file provided by TPR is "Hybrid" and there are both DB and DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR
	Hybrid: Mixed	Benefit type on sample file provided by TPR is "Hybrid" and there are either only DB members or only DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR
	DC: MT	Benefit type on sample file provided by TPR is "Defined Contribution" and flags supplied on the file indicate that the scheme is a Master Trust
	DC: not MT	Benefit type on sample file provided by TPR is "Defined Contribution" and flags supplied on the file do not indicate that the scheme is a Master Trust
Break: Scheme size	12 to 99	Count of total scheme members on sample file provided by TPR is between 12 and 99 inclusive
	100 to 999	Count of total scheme members on sample file provided by TPR is between 100 and 999 inclusive
	1,000+	Count of total scheme members on sample file provided by TPR is 1,000 or more
Break: Scheme status	Closed	Scheme status on sample file provided by TPR indicates that the scheme is "Closed"
	Open	Scheme status on sample file provided by TPR indicates that the scheme is "Open"
	Paid Up	Scheme status on sample file provided by TPR indicates that the scheme is "Paid Up (Frozen)"
	Winding Up	Scheme status on sample file provided by TPR indicates that the scheme is "Winding Up"
Break: Number of trustees	n/a	Count of number of trustees on the sample file provided by TPR
Break: Type of trustee	Corporate	A2 = 1
	Employer	A2 = 2

	Member	A2 = 3
	Prof	A2 = 4
Break: Chair	Yes	A1 = 1
	No	A1 = 2
Break: Years on board	< 1	A3 = 1
	1 to 2	A3 = 2
	2 to 5	A3 = 3
	5+	A3 = 4 or 5
Break: Years trustee any scheme	<1	A4B = 1
	1 to 2	A4B = 2
	2 to 5	A4B = 3
	5 to 10	A4B = 4
	10+	A4B = 5
Break: Trustee 2+ schemes	Yes	A4 = 1
	No	A4 = 2
Break: Number of other schemes trustee for	1	A4A = 1
	2 to 4	A4A = 2 to 4
	5 to 10	A4A = 5 to 10
	11 or more	A4A >= 11
	Don't know	A4A = Don't know
Break: Scheme AUM	Less than £100m	B4A = 1 or 2
	£100m-£1bn	B4A = 3 or 5
	£1bn-£5bn	B4A = 6 or 7
	£5bn+	B4A = 8
	Don't know	B4A = 9
Break: Investment sub-committee	Yes, on it	B2 = 1
	Yes, not on it	B1 = 1 and B2 = 2
	No	B1 = 2
	Don't know	B1 = 3 or B2 = 3
Break: IC/FM – currently bought	IC	A7_1 = 1
	FM	A7_2 = 1
	IC only	A7_1 = 1 and A7_2 = 2
	FM only	A7_1 = 2 and A7_2 = 1
	Both	A7_1 = 1 and A7_2 = 1
	Either	A7_1 = 1 or A7_2 = 1
	Neither	A7_1 = 2 and A7_2 = 2
Break: IC/FM – ever bought	IC	A8 = 1 or A7_1 = 1
	FM	A9 = 1 or A7_2 = 1
	IC only	(A8 = 1 or A7_1 = 1) and A9 = 2 and A7_1 = 2
	FM only	(A9 = 1 or A7_2 = 1) and A8 = 2 and A7_2 = 2

	Both	(A8 = 1 or A7_1 = 1) and (A9 = 1 or A7_2 = 1)
	Either	(A8 = 1 or A7_1 = 1) or (A9 = 1 or A7_2 = 1)
	Neither	A8 = 2 and A7_1 = 2 and A9 = 2 and A7_2 = 2
Break: Satisfaction IC	Satisfied	J1 = 1 or 2
	Not satisfied	J1 = 3 or 4
Break: Satisfaction FM	Satisfied	O6 = 1 or 2
	Not satisfied	O6 = 3 or 4
Break: Satisfaction, not on Inv Sub-Ctte	Satisfied, on ctte	(J1O6 = 1 or 2) and B2 = 1
	Satisfied, not on ctte	(J1O6 = 1 or 2) and (B1 = 2 or (B1 = 1 and B2 = 2))
Break: Satisfaction, those on Inv Sub-Ctte	Satisfied	(J1O6 = 1 or 2) and B2 = 1
	Not satisfied	(J1O6 = 3 or 4) and (B1 = 2 or (B1 = 1 and B2 = 2))
Break: Same IC and FM	Yes	Any individual code selected at both of C2 and K2, and C2 ≠ 99 and C2 ≠ 100 and K2 ≠ 99 and K2 ≠ 100
	No	No individual code selected at both of C2 and K2, and C2 ≠ 99 and C2 ≠ 100 and K2 ≠ 99 and K2 ≠ 100
Break: Same main IC and FM	Yes	C2A = K2A and C2A ≠ 99 or 100 and K2A ≠ 99 or 100
	No	C2A ≠ K2A and C2A ≠ 99 or 100 and K2A ≠ 99 or 100
	Yes and no others	C2A = K2A and only one code selected at each of C2 and K2, and C2A ≠ 99 or 100 and K2A ≠ 99 or 100
Break: Number ICs	1	Number of codes selected at C2, excluding 99 and 100
	2 to 3	
	4+	
Break: Largest 3 provider as IC	Yes	Mercer, Aon Hewitt or Willis Towers Watson (WTW) selected at C2
	No	Mercer, Aon Hewitt or Willis Towers Watson (WTW) not selected at C2
Break: Years same IC	<1	C3 = 1
	1 to 2	C3 = 2
	2 to 5	C3 = 3
	5 to 9	C3 = 4
	10+	C3 = 5 or 6
Break: other services from IC	Yes	Any C7 option = 1, except C7N and C7O
	No	C7N = 1
Break: switched / tendered IC last 5 years	Switched	F1 = 1
	Switched with tender (not FM)	F1 = 1 and F3 = 1
	Switched without tender	F1 = 1 and F3 = 2

	Switched, DK if tender	F1 = 1 and F3 = 3 or not asked
	Tendered, didn't switch	F1 = 2 and F4 = 1
	Neither	F1 = 2 and F4 = 2
Break: IC services deemed very important	Strategic AAA	C5_1=1
	Dynamic AAA	C5_2=1
	Hedging	C5_3=1
	De-risking	C5_4=1
	Manager selection	C5_5=1
Break: Monitoring deemed very easy	Scheme performance	D1_1=1
	AM performance	D1_2=1
	IC's fees	D1_3=1
	3rd party fees	D1_4=1
	Overall IC quality	D1_5=1
Break: Number FMs	1	Number of codes selected at K2, excluding 99 and 100
	2	
	3+	
Break: 'Largest 3 provider' as FM	Yes	Mercer, Aon Hewitt or Willis Towers Watson (WTW) selected at K2
	No	Mercer, Aon Hewitt or Willis Towers Watson (WTW) not selected at K2
Break: Years same FM	<1	K3=1
	1 to 2	K3=2
	2 to 5	K3=3
	5+	K3=4 - 6
Break: Switched / tendered FM last 5 years	Switched	O1 = 1
	Switched with tender	O1 = 1 and O2 = 1
	Switched without tender	O1 = 1 and O2 = 2
	Tendered, didn't switch	O1 = 2 and O3 = 1
	Neither	O1 = 2 and O3 = 2
Break: FM tender process	No 3rd party	L5_1 = (2 or 3) and L5_2 = (2 or 3) and not (L5_1 = 3 and L5_2 = 3)
	Any 3rd party	L5_1 = 1 or L5_2 = 1
	3rd party tender only	L5_1 = 1 and L5_2 = 2
	3rd party advice only	L5_1 = 2 and L5_2 = 1
	3rd party advice and ran tender	L5_1 = 1 and L5_2 = 1
	Any tender	L5_2 = 1 or L5_3 = 1
	No tender	L5_2 = (2 or 3) and L5_3 = (2 or 3) and not (L5_2 = 3 and L5_3 = 3)

Break: IC prompted consideration of FM	Yes	L2 = 1 or L1 = 1
	No	L2 = 2
	Don't know	L2 = 3
Break: IC ever suggested FM	Yes	P5 = 1 or L2 = 1 or L1 = 1
	No	P5 = 2 or L2 = 2
	Don't know	P5 = 3 or L2 = 3
Break: IC mentioned own FM	Yes	P6_1 = 1 or L3_1 = 1
	No	P6_2 = 1 or L3_2 = 1
Break: IC actions regarding FM	Mentioned own FM	P6_1 = 1 or L3_1 = 1
	Mentioned other FMs	P6_2 = 1 or L3_2 = 1
	Suggested 3rd-party evaluator	P6_3 = 1 or L3_3 = 1
Break: FM also IC (at appt)	Yes	L10=1
	No	L10=2
	Don't know	L10=3
Break: Problems needing more done to address them	IC/FM	Q1_1=3
	Business relationships	Q1_2=3
	G&H	Q1_3=3
	FMs own products	Q1_4=3
Break: Scheme type (survey)	DB	(A5 = 2 and A6 = 1) or (A5 = 1 and Benefit type on sample file provided by TPR is "Defined Benefit", and the count of total DC members is zero or blank)
	DC	(A5 = 2 and A6 = (2 or 3)) or (A5 = 1 and Benefit type on sample file provided by TPR is "Defined Contribution", and the count of total DB members is zero or blank)
	DC:MT	(Benefit type on sample file provided by TPR is "Defined Contribution" and flags supplied on the file indicate that the scheme is a Master Trust) or A6 = 2
	DC:Not MT	(Benefit type on sample file provided by TPR is "Defined Contribution" and flags supplied on the file do not indicate that the scheme is a Master Trust) and A6 ≠ 2
	Hybrid	(A5 =2 and A6 = 4) or (A5 = 1 and Benefit type on sample file provided by TPR is "Hybrid", or there are both DB and DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR)
PenType_Summary	DB (Survey)	(A5 = 2 and A6 = 1) or (A5 = 1 and Benefit type on sample file provided by TPR is "Defined Benefit", and the count of total DC members is zero or blank)
	DC (Survey)	(A5 = 2 and A6 = (2 or 3)) or (A5 = 1 and Benefit type on sample file provided by TPR is "Defined Contribution", and the count of total DB members is zero or blank)

	Hybrid (Survey)	(A5 = 2 and A6 = 4) or (A5 = 1 and Benefit type on sample file provided by TPR is "Hybrid", or there are both DB and DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR)
	DB (Sample)	Benefit type on sample file provided by TPR is "Defined Benefit", and the count of total DC members is zero or blank
	DC (Sample)	Benefit type on sample file provided by TPR is "Defined Contribution", and the count of total DB members is zero or blank
	Hybrid (Sample)	Benefit type on sample file provided by TPR is "Hybrid", or there are both DB and DC members, as indicated by the count of total DB members and count of total DC members on the sample file provided by TPR
	Changed category between sample and survey	Set if the type of pension identified using survey data differs from the type of pension identified on the sample file provided by TPR
FMIC_Now	IC	A7_1 = 1
	FM	A7_2 = 1
	IC only	A7_1 = 1 and A7_2 = 2
	FM only	A7_2 = 1 and A7_1 = 2
	Both IC and FM	A7_1 = 1 and A7_2 = 1
	Either IC or FM	A7_1 = 1 or A7_2 = 1
	Neither IC nor FM	A7_1 = 2 and A7_2 = 2
	Don't know	A7_1 = 3 or A7_2 = 3 and not (A7_1 = 1 or A7_2 = 1)
FMIC_Ever	IC	A8 = 1 or A7_1 = 1
	FM	A9 = 1 or A7_2 = 1
	IC only	(A8 = 1 or A7_1 = 1) and A9 = 2 and A7_1 = 2
	FM only	(A9 = 1 or A7_2 = 1) and A8 = 2 and A7_2 = 2
	Both IC and FM	(A8 = 1 or A7_1 = 1) and (A9 = 1 or A7_2 = 1)
	Either IC or FM	(A8 = 1 or A7_1 = 1) or (A9 = 1 or A7_2 = 1)
	Neither IC nor FM	A8 = 2 and A7_1 = 2 and A9 = 2 and A7_2 = 2
	Don't know	(A7_1 = 3 or A8 = 3) or (A7_2 = 3 or A9 = 3) and not (A7_1 = 1 or A7_2 = 1 or A8 = 1 or A9 = 1)
B1B2	Yes, and sit on it	B2 = 1
	Yes, but don't sit on it	B1 = 1 and B2 = 2
	No	B1 = 2
	Don't know	B1 = 3 or B2 = 3
C2_COUNT		Number of codes selected at C2, excluding 99 and 100
F4_ALL	Yes	F3 = 1 or F4 = 1
	No	F3 = 2 or F4 = 2

IC_SWITCH_1	Don't know	F3 = 3 or F4 = 3
	Switched	F1 = 1
	Tendered, but didn't switch	F1 = 2 and F4 = 1
	Didn't tender or switch	F1 = 2 and F4 = 1
IC_SWITCH_2	Don't know	F1 = 3 or (F1 = 2 and F4 = 3)
	Switched with tender	F1 = 1 and F3 = 1
	Switched without tendering	F1 = 1 and F3 = 2
	Tendered, but didn't switch	F1 = 2 and F4 = 1
	Didn't tender or switch	F1 = 2 and F4 = 2
K2_COUNT	Don't know	F1 = 3 or (F1 = 1 and F3 = 3) or (F1 = 2 and F4 = 3)
		Number of codes selected at K2, excluding 99 and 100
SAMEPROV	Yes	Any individual code selected at both of C2 and K2, and C2 ≠ 99 and C2 ≠ 100 and K2 ≠ 99 and K2 ≠ 100
	No	No individual code selected at both of C2 and K2, and C2 ≠ 99 and C2 ≠ 100 and K2 ≠ 99 and K2 ≠ 100
	Don't know	(K2 = 99 or C2 = 99) and K2 ≠ 100 and C2 ≠ 100
	Refused	K2 = 100 or C2 = 100
SAMEMAINPROV	Yes	C2A = K2A and C2A ≠ 99 or 100 and K2A ≠ 99 or 100
	No	C2A ≠ K2A and C2A ≠ 99 or 100 and K2A ≠ 99 or 100
	Don't know	(K2 = 99 or C2 = 99) and K2 ≠ 100 and C2 ≠ 100
	Refused	K2 = 100 or C2 = 100
L1_NoDK		As L1, excluding L1 = DK from base size
L2_ALL	Yes	L2 = 1 or L1 = 1
	No	L2 = 2
	Don't know	L2 = 3
L2_ALL_NoDK		As L2_ALL, excluding L2 = DK from base size
L5_NoDK		As L5, excluding L5 = DK from base size
L10_NoDK		As L10, excluding L10 = DK from base size
FM_SWITCH_1	Switched	O1 = 1
	Tendered, but didn't switch	O1 = 2 and O3 = 1
	Didn't tender or switch	O1 = 2 and O3 = 2
	Don't know	O1 = 3 or (O1 = 2 and O4 = 3)

FM_SWITCH_2	Switched with tender	O1 = 1 and O2 = 1
	Switched without tendering	O1 = 1 and O2 = 2
	Tendered, but didn't switch	O1 = 2 and O3 = 1
	Didn't tender or switch	O1 = 2 and O3 = 2
	Don't know	O1 = 3 or (O1 = 1 and O2 = 3) or (O1 = 2 and O4 = 3)
P5L2	Yes	P5 = 1 or L2 = 1 or L1 = 1
	No	P5 = 2 or L2 = 2
	Don't know	P5 = 3 or L2 = 3
P6L3	Mention their own FM service	P6_1 = 1 or L3_1 = 1
	Mention one or more other FM providers	P6_2 = 1 or L3_2 = 1
	Suggest that trustees use a third-party evaluator before selecting an FM provider	P6_3 = 1 or L3_3 = 1
	None of these	(All P6 iterations = (2 or 3) but not all P6 iterations = 3) or (All L3 iterations = (2 or 3) but not all L3 iterations = 3)
	Don't know	All P6 iteration = 3 or All L3 iterations = 3
P7L4	Strongly positive about fiduciary management	P7 = 1 or L4 = 1
	Positive	P7 = 2 or L4 = 2
	Neutral	P7 = 3 or L4 = 3
	Negative	P7 = 4 or L4 = 4
	Strongly negative	P7 = 5 or L4 = 5
	Don't know	P7 = 6 or L4 = 6
Q1_1_NoDK		As Q1_1, excluding Q1_1 = DK from base size
Q1_2_NoDK		As Q1_2, excluding Q1_2 = DK from base size
Q1_3_NoDK		As Q1_3, excluding Q1_3 = DK from base size
Q1_4_NoDK		As Q1_4, excluding Q1_4 = DK from base size
Q1_PROBLEM	Investment consultants using their position to steer clients into their own FM services	Q1_1 = 2 OR 3



	Business relationships with asset managers affecting the independence of investment consultants or fiduciary managers	Q1_2 = 2 OR 3
	Receipt of gifts and hospitality from asset managers affecting the independence of investment consultants or fiduciary managers	Q1_3 = 2 OR 3
	FM providers investing scheme funds with their own asset managers or investment products	Q1_4 = 2 OR 3
	Yes	Any Q1 iteration = 2 or 3
	No	No Q1 iteration = 2 or 3
	Don't know	All Q1 iterations = 4
Q1_ADDRESS	Investment consultants using their position to steer clients into their own FM services	Q1_1 = 3
	Business relationships with asset managers affecting the independence of investment consultants or fiduciary managers	Q1_2 = 3
	Receipt of gifts and hospitality from asset managers affecting the independence of investment consultants or fiduciary managers	Q1_3 = 3
	FM providers investing scheme funds with their own asset managers or investment products	Q1_4 = 3
	Yes	Any Q1 iteration = 3
	No	No Q1 iteration = 3
	Don't know	All Q1 iterations = 4



## G Materials: Advance letter



**IFF Research**

FAO Trustees of <SCHEME>  
<cgname>  
<cadd1>  
<cadd2>  
<cadd3>  
<cadd4>  
<cadd5>  
<cpcode>

**From:**  
John Wotton  
Panel Chair  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London, WC1B 4AD

<date>

**Ref Number:**  
<id>

Dear Trustee,

**Investment Consultants Market Investigation: survey research with pension scheme trustees about investment consultancy and fiduciary management services**

I am writing to request your participation, as a trustee of <SCHEME>, in an important survey that the Competition and Markets Authority (CMA) has commissioned as part of its Investment Consultants Market Investigation. The CMA is the UK's primary competition and consumer authority, and is responsible for ensuring that markets work well for consumers, businesses and the economy.

**Background**

On 14th September 2017, the Financial Conduct Authority referred the market for investment consultancy services and fiduciary management services<sup>23</sup> to the CMA for an in-depth investigation. As part of this investigation, the CMA would particularly like to hear the views of pension scheme trustees on these services, and about the practices currently adopted by trustee boards. **We are interested in hearing from you whether or not the trustee board actually purchases these services.**

Your participation in the survey will be an important contribution to the evidence being collected and will help the CMA decide how well these markets are working for UK occupational pension schemes and what might be improved.

The research is being conducted by an independent market research agency, IFF Research, and will involve telephone interviews with scheme trustees, from early November 2017 onwards. The main

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<sup>23</sup> Please refer to the Annex to this letter for more details on how we are defining these terms.

interview will last between 15 to 30 minutes, depending on the services the scheme in question purchases, and the extent to which the trustee board has switched provider for them, or considered doing so.

The CMA may also wish to engage in greater depth with some pension scheme trustees, for example by means of roundtables, to ensure that its inquiry fully benefits from the expertise and views of those most closely involved. At the end of the survey interview, should you agree to take part, you will have the opportunity to indicate whether you would be willing to participate in this way.

### **Data protection, and how we will use your survey responses**

The CMA obtained details about occupational pension schemes and contact details for the scheme trustees from The Pensions Regulator and passed these on to IFF Research to enable them to conduct this survey. These details are being used by the CMA only for the purpose of conducting our market investigation.

You can further be assured that IFF Research will not use your personal data or that relating to the scheme for which you are a trustee for any purpose other than this research. Your details will be transferred and stored securely at all times, and IFF and the CMA will maintain strict confidentiality, in line with the Data Protection Act (1998).

Data provided by trustees, with personal names and contact details removed, will be passed securely from IFF to the CMA to allow data matching and other data analysis. Your data will not be passed on to any third party. Anonymised datasets could be shared by the CMA in very specific circumstances, with strict safeguards put in place to maintain confidentiality. All results reported publicly will be in an aggregate form that doesn't disclose the identity of individuals or of pension schemes or allow findings to be attributed to them.

More details about how the CMA obtained your data, the intended use of it and of your survey response data, and about safeguards in place are provided in the Annex to this letter.

### **How to take part**

You should receive a phone call in the next few days from IFF Research, asking you if you would be willing to participate.

If you would like to make an appointment to take part, or consider that a trustee (of <SCHEME>) other than yourself would be better placed to answer questions on this topic, please email your reference number and telephone contact details for a trustee to [ICFMResearch@iffresearch.com](mailto:ICFMResearch@iffresearch.com). Alternatively, you can leave a message on their Freephone answerphone at <phone number>. They cannot take referrals to advisors or consultants; the nature of the investigation means we must speak to trustees.

Please note that it is not possible to complete the survey by post or email, because questions later in the survey will vary depending on responses to the initial questions.

If you have any questions about this research or about IFF Research, please contact Peter Swan (Project Manager) at the CMA on <phone number>, or by e-mail to [investmentconsultants@cma.gsi.gov.uk](mailto:investmentconsultants@cma.gsi.gov.uk). Further information about the investigation is available on the CMA's case page <https://www.gov.uk/cma-cases/investment-consultants-market-investigation>.

I would like to thank you in advance for your important contribution to the CMA's investigation.

Yours sincerely,

John Wotton, CMA Panel Chair  
Chair of the Investment Consultants Market Investigation

## **Annex**

### **Definitions used for the purposes of the CMA's survey of pension scheme trustees**

For its market investigation as a whole, the CMA is considering 'investment consultancy services' to mean investment advice primarily to pension scheme trustee boards and advice to employers in relation to the design and implementation of occupational pension schemes. However, for the purposes of this survey, we are only interested in advice to trustee boards, rather than to employers. These advisory services cover investment advice in relation to matters such as de-risking, liability hedging, strategic asset allocation, dynamic asset allocation and manager selection and advice in relation to fiduciary management. We use the term 'investment consultant' or 'investment consultancy' to mean an individual or company that provides investment consultancy services as described above.

Where we talk about 'fiduciary management services', we mean the provision of services where the trustee board delegates some of the decision-making and implementation of matters based on its investment strategy to the service-provider. Various delegation models may apply, for example the fiduciary manager may have responsibility for some or all of a scheme's assets, or have full or partial control of investment decisions and their implementation. Additionally, by fiduciary management we mean where these services are bought in; not the investment decisions that are made within individual financial products the scheme might hold, for example within a fund operated by a pension provider. Fiduciary management services are sometimes referred to as 'delegated advisory' or 'implemented consulting' services.

### **How the CMA obtained your details and what will happen to information you provide to us in the survey**

The CMA has obtained information from The Pensions Regulator (TPR) about a subset of UK occupational pension schemes for the purpose of the Investment Consultants Market Investigation, including contact details for trustees and has passed data to the market research agency, IFF Research, for use in the conduct of this survey. The CMA's statutory powers to do all of this are set out in Part 9 of the Enterprise Act 2002 (EA). The provisions of Part 9 also contain restrictions on disclosure by the CMA of information it has gathered during its investigations.

The survey company will conduct the survey under strict confidentiality rules in accordance with the Data Protection Act 1998 (DPA) and the Market Research Society's Code of Conduct. IFF Research is ISO27001 compliant for data security. In reporting analysis of the survey dataset, any individual comments quoted will not identify the respondent or scheme to which they relate. Similarly, all data that is published will be in aggregated forms that will not enable identification of individual respondents or pension schemes.

A survey dataset will be provided by the survey company to the CMA, from which names and contact details will have been removed. It will contain an identifier unique to the pension scheme that will be used by the CMA solely for analytical purposes; it is not the intention of the CMA to use this identifier to discern the name of the scheme or of the responding trustee.

The CMA may combine survey responses with other information about individual pension schemes from TPR and from third parties, such as companies providing investment consultancy services, for analytical purposes. The CMA's published findings will be in a form which does not enable the identification of any individual respondent or the pension scheme for which they are a trustee.

It is possible that the CMA may, as is often done in its inquiries, set up a data room for use by a limited and named list of advisors to the Parties operating in the market under investigation. This data room may provide access to anonymised, individual-level survey dataset(s), augmented with additional matched data as described above. Its

purpose would be to enable Parties' advisors to conduct quality assurance of analyses used as evidence in the investigation. Such a data room would operate under strict confidentiality rules, as required by Part 9 of the EA; any person with access to the data room would be breaking the law if they were to disclose any information about an individual survey respondent or pension scheme on the basis of their access to this information.

## H Materials: Questionnaire

### Screenener

ASK ALL

- S1 **Good morning / afternoon / evening. My name is <INTERVIEWER> and I'm calling from IFF Research on behalf of the Competition and Markets Authority, in connection with their official inquiry into services available to pension schemes.**

[IF NAMED SAMPLE, NOT EMPLOYER: **Please may I speak to <NAME>? IF NECESSARY: It's about their role as** [IF CHAIR: **the chair of**] [IF TRUSTEE: **a trustee for**] [IF REFERRAL: **regarding**] **a pension scheme called <SCHEME>.**]

[IF TRUSTEE COMPANY SAMPLE: **I'm calling regarding a pension scheme called <SCHEME>. Please could you put me through to someone working for <COMPANY NAME>, which we believe provides trustees for the scheme? I'm ideally seeking to speak to the person acting as chair of trustees for the scheme (<NAME>), or to another trustee.**]

[IF UNNAMED, OR EMPLOYER SAMPLE: **I'm calling about a pension scheme called <SCHEME>. Please could you put me through to the chair of trustees for the scheme (<NAME>), or to another trustee?**]

**ADD IF NECESSARY:** [IF CHAIR HAS NOT REFUSED: **I'm looking to speak to the chair of trustees**] [IF CHAIR HAS REFUSED: **I'm looking to speak to a trustee**], rather than someone whose day-to-day job is pension scheme management or administration.

**INTERVIEWER NOTE:** *Many trustees are retired and this is OK. See if they can provide a referral, or can put you through to someone who can. We would ideally talk to the trustee with the best knowledge of investment matters.*

Speaking or transferred to trustee / chair of trustees / scheme administrator	1	CONTINUE (GO TO S1A)
Hard appointment	2	MAKE APPOINTMENT
Soft appointment	3	
Engaged	4	CALL BACK
No reply / answerphone	5	
Refused to put through	6	GO TO S4
Refused to take part	7	SEEK NEW CONTACT (GO TO S4).
Not available in deadline	8	
Take referral / try another number / person	9	SEEK NEW / REVISED CONTACT (GO TO S4)
Fax / Dead line / Wrong number	12	
Scheme wound up ( <i>schemes which are just 'closed' can continue</i> )	10	THANK AND CLOSE
Wants reassurances	11	SHOW REASSURANCES
Send email	13	GO TO S4

IF S1 = 1 (TRANSFERRED / SPEAKING)

S1A **Good morning / afternoon / evening. My name is <INTERVIEWER> and I'm calling from IFF Research, an independent research company.**

**We're carrying out an important survey as part of a Competition and Markets Authority investigation into the markets for investment consultancy and fiduciary management. The Competition and Markets Authority (otherwise known as the CMA) is the UK's primary competition and consumer authority, and is responsible for making sure that markets work well for consumers, businesses and the economy. [IF TALKING TO ORIGINAL CONTACT: You should have received a letter from the Chair of the CMA's Inquiry Group about this investigation and survey.]**

**First of all, could I just check, are you a trustee, and able to speak on behalf of the board of trustees for <SCHEME>?**

**ADD IF NECESSARY: On 14<sup>th</sup> September 2017, the Financial Conduct Authority (FCA) referred the market for investment consultancy and fiduciary management services to the CMA for further investigation. As part of this investigation the CMA would like to understand the views of pension trustees and the practices currently adopted in these areas.**

**ADD IF NECESSARY: In this survey, when we say 'investment consultancy' we mean the advisory services that investment consultants provide to pension scheme trustee boards.**

**When we talk about 'fiduciary management', we mean where the trustee board delegates some of the investment decision-making and implementation, for some or all of the scheme's assets. Fiduciary management services are sometimes also called 'delegated advisory' or 'implemented consulting' services. Just to clarify, we mean where these services are bought in.**

**PROMPT AS NECESSARY. SINGLE CODE**

Yes, trustee and able to speak on behalf of board	1	CONTINUE (GO TO S2)
Yes, but refused to take part	2	SEEK NEW CONTACT (GO TO S4)
No, take referral or try another number / person	3	SEEK NEW CONTACT (GO TO S4)
Scheme wound up ( <i>schemes which are just 'closed' can continue</i> )	4	THANK AND CLOSE
Wants reassurances	5	SHOW REASSURANCES AND RETURN



IF S1A = 1 (CONFIRMED ELIGIBILITY)

- S2 **This is your opportunity, as a trustee of <SCHEME>, to feed into the investigation, and the CMA would really appreciate your views. The interview will take between 15 and 30 minutes. The information you give us will be used for the CMA's market investigation only and will be treated in the strictest confidence. Data provided by pension schemes, with personal names and contact details removed, will be passed securely from IFF to the CMA to allow data matching and other data analysis. Your data will not be passed on to any third party.** [IF ORIGINAL CONTACT: The letter you were sent provides more detail about use of your information and how it will be protected.]

**Would you be willing to proceed with the survey now?**

Continue	1	CONTINUE
Hard appointment	2	MAKE APPOINTMENT
Soft appointment	3	
Refused to take part	4	SEEK NEW CONTACT (GO TO S4).
Take referral / try another number / person	5	SEEK NEW CONTACT (GO TO S4).
Wants reassurances	6	SHOW REASSURANCES AND RETURN
Reassurance email	7	SEND REASSURANCE EMAIL (GO TO S5)

IF TAKING REFERRAL

S4 [IF DUE TO LACK OF KNOWLEDGE:I'm sorry, I think we might need to speak to someone with a bit more knowledge of the scheme's activities.][IF TRUSTEE UNAVAILABLE OR REFUSED: **Would you mind if we contacted a different scheme trustee?**][IF RECEPTIONIST REFUSED TO PUT THROUGH: **Could I take a phone number or email address for a trustee?**]

PLEASE SELECT A CONTACT FROM THE LIST BELOW.

*If someone is still on the phone, prompt for contact details of a trustee, or someone who could help us talk to a trustee. We would ideally talk to the trustee with the best knowledge of investment matters.*

- *Prompt with names shown below. **Please do not try to update details on all contacts – the survey can only deal with one at a time.***
- *If they refer you to a person not shown, select "take details of someone else".*
- *Try to get a phone number – if available this is much better than an email.*
- *You could ask for the clerk or secretary of trustees, or pension administrator; they might be more able to provide a phone number for a trustee.*
- *If a pensions administrator says trustees will be unable to answer questions – this is not a problem. The CMA want to gauge knowledge levels among trustees.*
- *If it's impossible to get a phone number but they will give an email, and there are no other options left (i.e. no phone numbers left on sample), we can send an email to it.*
- *If there is no-one below to call or email, select "No usable contacts available."*
- *If they have said that you can't talk to another trustee, select "Refused as a scheme".*

IF AVAILABLE: Chair of Trustees: <NAME> [IF CTTEL1 POPULATED: (tel available)]	1	TAKE / VERIFY DETAILS AT S4A
IF AVAILABLE: Employer contact (not a trustee) [IF EMPTEL POPULATED: (tel available)]	2	
IF AVAILABLE: Trustee 1: <NAME>[IF T1TEL1 POPULATED: (tel available)]	3	
IF AVAILABLE: Trustee 2: <NAME>[IF T2TEL1 POPULATED: (tel available)]	4	
Take details of a different person	5	
Put through before details could be taken	6	GO TO S1
No usable contacts available	7	THANK AND CLOSE.
Refused as a scheme	8	THANK AND CLOSE.

IF REFERRAL AVAILABLE (S4 = 1 TO 5)

S4A **CHECK AND AMEND / ENTER DETAILS OF RESPONDENT BELOW, AND REDIAL.**

DS: DO NOT ENFORCE RESPONSES

DS: PRE-FILL FROM SAMPLE IF AVAILABLE

WRITE IN: <b>First name(s):</b> <NAME>
WRITE IN: <b>Surname:</b> <NAME>
WRITE IN: <b>Company name (only if no personal name available):</b> <NAME>
WRITE IN: <b>Telephone number:</b> <PHONENUMBER>
WRITE IN: <b>Email address:</b> <EMAIL>

RETURN TO S1.

IF CHAIR HAS REFUSED PERSONALLY, AND NO NAMED CONTACT PROVIDED, THANK AND CLOSE. SET OUTCOME AS REFUSED.

THOSE WHO WOULD LIKE A REASSURANCE EMAIL (S2 = 7)

S5 **Please can I take the best email address to send that to?**

WRITE IN: EMAIL ADDRESS	MUST BE SAME BOTH TIMES TO SEND EMAIL CONTINUE TO S5A
WRITE IN: EMAIL ADDRESS	

THOSE WHO WOULD LIKE A REASSURANCE EMAIL (S2 = 7)

S5A **You should receive that email shortly. Would you like to continue with the interview now or should we arrange another time to call you back?**

Continue	1	GO TO S2
Hard appointment	2	MAKE APPOINTMENT
Soft appointment	3	

THOSE WHO NEED A REFERRAL EMAIL

S5B **Please can I take the best email address to send that to?**

WRITE IN: EMAIL ADDRESS	MUST BE SAME BOTH TIMES TO SEND EMAIL THANK AND CLOSE
WRITE IN: EMAIL ADDRESS	

### REASSURANCES TO USE IF NECESSARY

The interview will take between 15 and 30 minutes to complete depending on your answers.

#### **Where did the CMA / IFF Research find my contact details?**

The CMA has obtained information from The Pensions Regulator (TPR) about a subset of UK occupational pension schemes for the purpose of the Investment Consultants Market Investigation, including contact details for trustees and has passed data to the market research agency, IFF Research, for use in the conduct of this survey. The CMA's statutory powers to do all of this are set out in Part 9 of the Enterprise Act 2002 (EA). The provisions of Part 9 also contain restrictions on disclosure by the CMA of information it has gathered during its investigations.

#### **Data security**

IFF Research is ISO27001 compliant for data security, and all data transferred to the CMA will be done via a secure file transfer (SFTP) site, using AES-256 encryption and strong passwords. This encryption method has not been broken to date.

#### **Confidentiality**

A survey dataset will be provided by the survey company to the CMA, from which names and contact details will have been removed. It will contain an identifier unique to the pension scheme that will be used by the CMA solely for analytical purposes; it is not the intention of the CMA to use this identifier to discern the name of the scheme or of the responding trustee.

The CMA may combine survey responses with other information about individual pension schemes from TPR and from third parties, such as companies providing investment consultancy services, for analytical purposes. The CMA's published findings will be in a form which does not enable the identification of any individual respondent or the pension scheme for which they are a trustee.

In reporting analysis of the survey dataset, any individual comments quoted will not identify the respondent or scheme to which they relate. Similarly, all data that is published will be in aggregated forms that will not enable identification of individual respondents or pension schemes.

It is possible that the CMA may, as is often done in its inquiries, set up a data room for use by a limited and named list of advisors to the Parties operating in the market under investigation. This data room may provide access to an anonymised, individual-level survey dataset(s), augmented with additional matched data as described above. Its purpose would be to enable Parties' advisors to conduct quality assurance of analyses used as evidence in the investigation. Such a data room would operate under strict confidentiality rules, as required by Part 9 of the EA; any person with access to the data room would be breaking the law if they were to disclose any information about an individual survey respondent or pension scheme on the basis of their access to this information. If respondent wishes to confirm validity of survey or get more information about aims and objectives, they can call:

- **MRS: Market Research Society on 0800 975 9596**
- **IFF: Helen Wrathall or Poppy Curd on 020 7250 3035** (or by email at [ICFMResearch@iffresearch.com](mailto:ICFMResearch@iffresearch.com))
- **CMA: Peter Swan (Project Manager) on 020 3738 6794**  
(or by email at [investmentconsultants@cma.gsi.gov.uk](mailto:investmentconsultants@cma.gsi.gov.uk))

S6 This call may be recorded for quality and training purposes only.

## A Respondent and scheme characteristics

READ TO ALL

**As I go through the questions, can you please give your answers in relation to <SCHEME>.**

ASK ALL

- A1 **Are you currently acting as Chair of the board of trustees for <SCHEME>?**  
*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	IF THIS ANSWER IS GIVEN, WE CONSIDER THE RESPONDENT TO HAVE INSUFFICIENT KNOWLEDGE TO TAKE PART. SEEK NEW CONTACT (GO TO S4).

ASK ALL

- A2 **Could you please confirm your role as a trustee for the scheme. Are you a ... ?**  
*READ OUT. SINGLE CODE.*

<b>Corporate trustee</b>	1	
<b>Employer-appointed trustee</b>	2	
<b>Member-nominated trustee</b>	3	
<b>Professional trustee</b>	4	
<b>Another type of trustee (SPECIFY)</b>	5	
DO NOT READ OUT: Not a trustee; something else ( <i>INTERVIEWER NOTE: we are seeking views of trustees only – not scheme administrators etc.</i> )	6	IF THESE ANSWERS ARE GIVEN, WE CONSIDER THE RESPONDENT TO HAVE INSUFFICIENT KNOWLEDGE TO TAKE PART. SEEK NEW CONTACT (GO TO S4)
DO NOT READ OUT: Don't know	7	

ASK ALL

A3 **And how long have you been on the board of trustees for the scheme?**

PROMPT AS NECESSARY. SINGLE CODE.

Less than 1 year	1	
Between 1 and 2 years	2	
Between 2 and 5 years	3	
Between 5 and 10 years	4	
More than 10 years	5	
Don't know	6	
Refused	7	

ASK ALL

A4 **Are you a trustee for any other pension schemes?**

SINGLE CODE.

Yes	1	
No	2	
Don't know	3	

ALL WHO ARE A TRUSTEE FOR OTHER SCHEMES (A4 = 1)

A4A **How many other pension schemes are you trustee for?**

SINGLE CODE.

WRITE IN INTEGER		
DO NOT READ OUT: Prefer not to say	1	
DO NOT READ OUT: Don't know	2	

ASK ALL

A4B **And for how many years in total have you been a trustee for ANY pension scheme?**  
**PROMPT AS NECESSARY. SINGLE CODE.**

Less than 1 year	1	
Between 1 and 2 years	2	
Between 2 and 5 years	3	
Between 5 and 10 years	4	
More than 10 years	5	
Don't know	6	
Refused	7	

ASK ALL

A5 **Could I check, is the scheme a <PENTYPE> scheme?**  
**SINGLE CODE.**

Yes	1	
No	2	
Don't know	3	SEEK NEW CONTACT (GO TO S4)

ASK ALL WHO DO NOT VERIFY SCHEME TYPE ON SAMPLE (A5 = 2)

A6 **What type of scheme is it?**  
**READ OUT. SINGLE CODE.**

<b>Defined Benefit scheme (DB)</b>	1	
<b>Defined Contribution <u>Master Trust</u></b>	2	
<b>Other trust-based Defined Contribution scheme (DC)</b>	3	
<b>Hybrid scheme</b>	4	
<b>Another type of scheme (SPECIFY)</b>	5	
DO NOT READ OUT: Don't know	6	SEEK NEW CONTACT (GO TO S4)

**PENTYPE\_SURV QUOTA, DO NOT ASK**

Scheme type for quota

DB	1	(A5 = 2 AND A6 = 1) OR (A5 = 1 AND PENTYPE = 1)
DC	2	(A5 = 2 AND A6 = (2 OR 3)) OR (A5 = 1 AND PENTYPE = 2)
Hybrid	3	(A5 = 2 AND A6 = 4) OR (A5 = 1 AND PENTYPE = 3)

ASK ALL

**A7 I'd like to ask you about services that the trustees may buy. I specifically want to talk about investment consultancy and fiduciary management services.**

**In this survey, when we say 'investment consultancy' we mean the advisory services that investment consultants provide to pension scheme trustee boards.**

**When we talk about 'fiduciary management', we mean where the trustee board delegates some of the investment decision-making and implementation, for some or all of the scheme's assets. Fiduciary management services are sometimes also called 'delegated advisory' or 'implemented consulting' services. Just to clarify, we mean where these services are bought in.**

**[IF A6 = 4 OR PENTYPE = 3: We're interested in knowing whether you buy these services AT ALL. It doesn't matter if you buy these services for one part of the scheme but not the other – we're talking about the scheme overall.]**

*INTERVIEWER NOTE: If the respondent seems unaware of - or uncertain about - the term Fiduciary Management, it is highly unlikely they use it. So, for <SCHEME>, does the board of trustees buy ... ?*

*READ OUT. SINGLE CODE FOR EACH.*

	Yes	No	Don't know
<b>Investment consultancy services</b>	1	2	3
<b>Fiduciary management</b>	1	2	3

**DS: IF A7\_1 = 3 (DON'T KNOW IF USING IC SERVICES) AND A7\_2 ≠ 1 (HAS NOT SAID FM SERVICES ARE USED), WE CONSIDER THE RESPONDENT TO HAVE INSUFFICIENT KNOWLEDGE TO TAKE PART. SEEK NEW CONTACT (GO TO S4)**



- A8 ALL WHO DO NOT CURRENTLY BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 2)  
**To the best of your knowledge, has the board of trustees for <SCHEME> ever bought investment consultancy services in the past?**  
*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	

- A9 ALL WHO DO NOT CURRENTLY BUY FIDUCIARY MANAGEMENT (A7\_2 = 2)  
**To the best of your knowledge, has the board of trustees for <SCHEME> ever bought fiduciary management in the past?**  
*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	

READ TO ALL

**Thank you. For the rest of the interview, whenever we refer to the 'board of trustees' or 'the board' we mean the board of trustees for <SCHEME>.**

**Likewise, when we refer to the 'the scheme', 'your scheme' or 'you' we'd like you to keep in mind that we're interested in your thoughts on behalf of the board of trustees for <SCHEME>, rather than as an individual.**

## B Governance

ASK ALL

- B1 **Does the scheme have an investment sub-committee?**  
*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	

ASK ALL WITH AN INVESTMENT SUB-COMMITTEE (B1 = 1)

- B2 **Do you sit on the investment sub-committee?**  
*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	

- B3 THERE IS NO B3

ASK ALL

**B4A What is the value of the scheme's current assets under management (AUM)? Your best estimate is fine.**

*SINGLECODE. PROMPT AS NECESSARY.*

Less than £50m	1	
At least £50m, but less than £100m	2	
At least £100m, but less than £250m	3	
At least £250m, but less than £500m (inc. £¼bn)	4	
At least £500m, but less than £1bn (inc. £½bn, £¾bn)	5	
At least £1bn, but less than £2bn	6	
At least £2bn, but less than £5bn	7	
£5bn or more	8	
DO NOT READ OUT: Don't know	9	
DO NOT READ OUT: Refused	10	

ASK IF DEFINED BENEFIT SCHEME (IF PENTYPE\_SURV = 1)

**B5 What is the scheme's current funding position, as a percentage of liabilities? Your best estimate is fine.**

*SINGLE CODE. PROMPT IF NECESSARY.*

More than 100%	13	
90 – 100%	1	
80 – 89%	2	
70 – 79%	3	
60 – 69%	4	
50 – 59%	5	
40 – 49%	6	
30 – 39%	7	
20 – 29%	8	
10 – 19%	9	
Less than 10%	10	
DO NOT READ OUT: Don't know	11	
DO NOT READ OUT: Refused	12	

## C Investment consultancy services – background

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- C1 **You said that the board of trustees buys investment consultancy services for the scheme, so I'd now like to ask you some questions about this. [IF PENTYPE\_SURV = 3:Please give your answer in relation to the scheme overall.]**

**I'd like to know about the factors that influence why the board of trustees buys investment consultancy services. How important is each of the following as a reason to do so, on a scale of [IF ROUTE = 1:very important, fairly important, not very important, or not at all important.][IF ROUTE = 2:not at all important, not very important, fairly important, or very important.]**

**So, how important is *ITERATION TEXT* to the board as a reason to buy investment consultancy services?**

*READ OUT. SINGLE CODE FOR EACH.*

DS: ROTATE ITERATIONS. REVERSE RESPONSE SCALE (EXCEPT DK/NA) IN 50% OF CASES.

a	Very important	Fairly important	Not very important	Not at all important	Don't know	Not applicable
b_1 Reducing/managing risk	1	2	3	4	5	6
c_2 Increasing investment returns	1	2	3	4	5	6
d_3 General due diligence	1	2	3	4	5	6
e_4 Reducing time pressures on trustees	1	2	3	4	5	6
f_5 Bringing in expertise which trustees do not have	1	2	3	4	5	6
g_6 Satisfying legal or regulatory requirements	1	2	3	4	5	6
h_7 Bringing in ideas and innovation	1	2	3	4	5	6

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)  
**C2 Who do you buy investment consultancy services from?**  
**PROMPT IF NECESSARY: Anyone else?**  
**DO NOT READ OUT. MULTI CODE**

Agile	1	
Albourne	2	
Allenbridge	3	
AllianceBernstein	4	
Allianz Global Investors Europe GmbH	5	
AON Hewitt	6	
Ascot Lloyd	7	
Atkin & Co.	8	
Barker & Tatham	9	
Barnett Waddingham	10	
Bath Actuarial Consultants	11	
BBS Consultants & Actuaries	12	
Bfinance	13	
Blackrock	14	
BNP Paribas Investment Partners UK Limited	15	
Broadstone Corporate Benefits Ltd	16	
Bucks Consultants	17	
BWCI group	18	
Cambridge Associates	19	
Cannacord Genuity	20	
Cantab Asset Management	21	
Capita	22	
Cardano	23	
Cartwright	24	
Charles Stanley Pan Assets	25	
Conduent	26	
Congruent Financial Partners	27	
Cosan	28	
Dean Wetton Advisory	29	
Deloitte & Touche	30	
Deutsche Asset Management	31	
Ernst & Young (EY)	32	
Fidelity	33	
First Actuarial	34	
Gatemoor	35	
Go Pensions	36	
Goldman Sachs Asset Management	37	
H&C consulting	38	
Hamish Wilson Ltd	39	
Hewitt	40	

Hymans Robertson	41	
IC Select	42	
Independent Investment Associates Ltd	43	
Isinglass	44	
Jagger	45	
Jardine Lloyd Thompson Group (JLT)	46	
John Forbes Consulting	47	
Joseph G Byrn and Sons	48	
Kempen Fiduciary Management	49	
Kerr Henderson	50	
KGC	51	
Kim Gubler	52	
KPMG	53	
Lane Clark Peacock (LCP)	54	
Legal & General Investment Management	55	
M F S International UK Ltd	56	
Mercer	57	
Millman	58	
Mitchell Consulting Actuaries	59	
Momentum	60	
Muse	61	
National Pensiontrust	62	
Nest	63	
Nigel Sloam & Co	64	
Northern Trust	65	
OAC	66	
People Pensions	67	
Pi consulting	68	
Premier Pensions Management Ltd	69	
PriceWaterhouseCoopers (PwC)	70	
PSITL	71	
Psolve	72	
Punter Southall	73	
Quantum	74	
Quattro pensions	75	
Redington	76	
Risk First	77	
River and Mercentile	78	
Russell Investments	79	
Schroders	80	
SEI Investments Limited	81	
Simon Jagger Associates	82	
Spence and Partners	83	
Stamford	84	

Standard life	85	
State Street	86	
Supertrust	87	
Towers Watson	88	
Trigon	89	
UBS Asset Management (UK) Ltd	90	
Welplan	91	
Willis Towers Watson (WTW)	92	
Workers Pension Trust	93	
Xafinity	94	
Xerox	95	
Zephyrus	96	
Zurich	97	
Other (specify)	98	
Don't know	99	
Refused	100	

ASK ALL WHO BUY FROM TWO OR MORE PROVIDERS AT C2

**C2A You told me that you use more than one provider. Which one do you spend the most money with?**

*DO NOT READ OUT. SINGLE CODE.*

DS: SHOW ONLY OPTIONS SELECTED AT C2

DS: SHOW CODES 1 TO 97 FROM C2	1-97	
<C2_98 TEXT>	98	
Don't know	99	
Refused	100	

DS: IF C2 SINGLE CODED, FORCE C2A = C2.

IF PENTYPE\_SURV = 3 (HYBRID SCHEME)

**C2B Which part of your hybrid scheme does this provider supply investment consultancy services for? Is it...**

*READ OUT. SINGLE CODE.*

<b>The whole scheme</b>	1	
<b>The Defined Benefit part only</b>	2	
<b>The Defined Contribution part only</b>	3	
DO NOT READ OUT: Don't know	4	



SHOW IF A7\_1 = 1

**As you answer the following questions, can I please ask you to answer in reference to [IF C2A <= 97:<C2A>][IF C2A = 98/99/100: the provider that you spend the most money with for investment consultancy services], who we'll refer to now as 'your [IF C2 MULTICODED:main ]investment consultant'.**

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- C3 **How long has the board of trustees bought investment consultancy from your [IF C2 MULTICODED:main ]investment consultant? Your best estimate is fine.**  
*PROMPT AS NECESSARY. SINGLE CODE.*

Less than a year	1	
1 year or more, but less than 2 years	2	
2 years or more, but less than 5 years	3	
5 years or more, but less than 10 years	4	
10 years or more, but less than 15 years	5	
15 years or more	6	
Don't know	7	

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- C4 **Which of the following services does the board of trustees buy from your [IF C2 MULTICODED:main ]investment consultant?**  
*READ OUT. MULTI CODE. RANDOMISE CODES 1 TO 7.*

	Yes	No	Don't know
<b>Strategic asset allocation advice</b>	1	1	1
<b>Dynamic asset allocation advice</b>	2	2	2
<b>Designing liability hedging</b>	3	3	3
<b>Monitoring de-risking strategy</b>	4	4	4
<b>Asset manager selection advice</b>	5	5	5
<b>Reporting and operational services</b>	6	6	6
<b>Advice on setting scheme objectives</b>	7	7	7

ASK ALL WHO KNOW WHAT INVESTMENT CONSULTANCY SERVICES THEY BUY (ANY C4\_1 TO C4\_7 = 1)

- C5 **How important [IF C4 MULTICODED:are each of the services that you buy][IF C4 SINGLE CODED: is this service] to meeting the scheme's objectives, on a scale of [IF ROUTE = 1:very important, fairly important, not very important, or not at all important.][IF ROUTE = 2:not at all important, not very important, fairly important, or very important.]**

**So, how important is ITERATION TEXT?**

*READ OUT. SINGLE CODE FOR EACH.*

DS: RANDOMISE ORDER OF ITERATIONS. IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK.

	Very important	Fairly important	Not very important	Not at all important	Don't know
IF C6_1 = 1: <b>Strategic asset allocation advice</b>	1	2	3	4	5
IF C6_2 = 1: <b>Dynamic asset allocation advice</b>	1	2	3	4	5
IF C6_3 = 1: <b>Designing liability hedging</b>	1	2	3	4	5
IF C6_4 = 1: <b>Monitoring de-risking strategy</b>	1	2	3	4	5
IF C6_5 = 1: <b>Asset manager selection advice</b>	1	2	3	4	5
IF C6_6 = 1: <b>Reporting and operational services</b>	1	2	3	4	5
IF C6_7 = 1: <b>Advice on setting scheme objectives</b>	1	2	3	4	5

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- C6 **And how important are investment consultancy services overall in meeting the scheme's objectives? Are they ... ?**

*READ OUT. SINGLE CODE.*

DS: REVERSE RESPONSE SCALE IN 50% OF CASES (EXCEPT DK)

<b>Very important</b>	1	
<b>Fairly important</b>	2	
<b>Not very important</b>	3	
<b>Not at all important</b>	4	
DO NOT READ OUT: Don't know	5	

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- C7 **Apart from investment consultancy services, does the board of trustees buy any of these other services from your [IF C2 MULTICODED:main ]investment consultant?**  
**READ OUT. ROTATE ORDER OF ITERATIONS 1-4. MULTI CODE.**

<b>Actuarial services</b>	1	
<b>Asset management</b>	2	
[IF A7_2 = 1 (BUY FM): <b>Fiduciary management</b> ]	3	
<b>Scheme administration</b>	4	
<b>Any other service? (SPECIFY)</b>	5	
DO NOT READ OUT: None of these	6	DO NOT MULTI CODE
DO NOT READ OUT: Don't know	7	DO NOT MULTI CODE

## D Monitoring Scheme and Investment Consultancy Services

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- D1 **Based on the information that you receive from your [IF C2 MULTICODED:main ]investment consultant, how easy is it to monitor each of the following, on a scale of [IF ROUTE = 1: very easy, fairly easy, not very easy, not at all easy][IF ROUTE = 2: not at all easy, not very easy, fairly easy, very easy]?**  
*READ OUT. SINGLE CODE FOR EACH.*

DS: RANDOMISE ORDER OF ITERATIONS. IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK/NA.

	Very easy	Fairly easy	Not very easy	Not at all easy	Don't know	Not applicable
_1 The overall investment performance of your scheme	1	2	3	4	5	6
_2 The investment performance of the scheme's asset managers	1	2	3	4	5	6
_3 The fees you pay to your investment consultant	1	2	3	4	5	6
_4 The fees you pay to third parties (e.g. asset managers)	1	2	3	4	5	6
_5 The overall quality of service from your investment consultant	1	2	3	4	5	6

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- D2 **Within the last 3 years, which of the following, if any, have you done in relation to your [IF C2 MULTICODED:main ]investment consultant?**  
*READ OUT. SINGLE CODE FOR EACH*

	Yes	No	Don't know
_1 Undertaken a formal review of your consultant's fees	1	2	3
_2 Benchmarked your consultant's fees against those of other potential providers	1	2	3
_3 Commissioned an external party to assess your consultant's fees	1	2	3
_4 Challenged your consultant to improve their terms	1	2	3
_5 Undertaken a formal review of the quality of investment advice received from your consultant	1	2	3
_6 Commissioned an external party to assess the quality of investment advice received from your consultant	1	2	3
_7 Reduced their mandate	1	2	3

- ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)
- D3 **How important is each of the following in monitoring and scrutinising your** [IF C2 MULTICODED:main ]investment consultant on a scale of [IF ROUTE = 1: very important, fairly important, not very important, not at all important.][IF ROUTE = 2: not at all important, not very important, fairly important, very important.]?  
*READ OUT. SINGLE CODE FOR EACH.*

DS: IN 50% OF CASES, REVERSE RESPONSE SCALE EXCEPT DK/NA.

	Very important	Fairly important	Not very important	Not at all important	Don't know	Not applicable
_1 The scheme actuary	1	2	3	4	5	6
_2 The scheme sponsor and their advisors	1	2	3	4	5	6
_3 Other in-house advisors	1	2	3	4	5	6
_4 External advisors	1	2	3	4	5	6

- ASK ALL WHERE SPONSOR IS IMPORTANT (D3\_2 = 1 OR 2)
- D4 **Typically, how many times a year does the scheme sponsor scrutinise or challenge your** [IF C2 MULTICODED:main ]investment consultant?  
*PROMPT AS NECESSARY. FOR 'NEVER' TYPE 0.*

DS: ALLOW INTEGER 0 TO 52.

WRITE IN NUMBER		
DO NOT READ OUT: Don't know	1	

E There is no section E

## F Tendering for investment consultancy

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- F1 **May I just double check, in the last 5 years, have you switched your [IF C2 MULTICODED:main ]provider of investment consultancy?[IF C2 MULTICODED: Again, by main provider we mean the company or group of companies that you spend the most money with.]**  
**SINGLE CODE**

Yes	1	
No	2	
Don't know	3	

ASK ALL WHO SWITCHED INVESTMENT CONSULTANCY SERVICES, IF NOT USING BOTH FM AND IC (F1 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- F2 **In which year did you last switch?**  
**DO NOT READ OUT. PROMPT IF NECESSARY. SINGLE CODE.**

2017	1	
2016	2	
2015	3	
2014	4	
2013	5	
2012	6	
2011 or before	7	
DO NOT READ OUT: Don't know	8	

ASK ALL WHO SWITCHED INVESTMENT CONSULTANCY SERVICES, IF NOT USING BOTH FM AND IC (F1 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- F3 **Did you run a tender exercise or invite proposals as part of this switching process?**  
**SINGLE CODE**

Yes	1	
No	2	
Don't know	3	

ASK ALL WHO HAVE NOT SWITCHED INVESTMENT CONSULTANCY SERVICES (F1 = 2 OR 3)

- F4 **In the last 5 years, have you run a tender exercise or invited proposals for your [IF C2 MULTICODED:main ]provider of investment consultancy?**  
*SINGLE CODE*

Yes	1	
No	2	
Don't know	3	

ALL WHO SWITCHED INVESTMENT CONSULTANT OR RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM & IC (F1 = 1 OR F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- F5 **Did the trustees use a third-party advisor as part of the [IF F1 = 1: switching][F4 = 1: tendering] process?**  
*SINGLE CODE*

Yes	1	
No	2	
Don't know	3	

ALL WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM & IC (F3 = 1 OR F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- F6 **In total, how many providers did you invite to submit a tender or proposal?**  
*SINGLE CODE*

One	1	
Two	2	
Three	3	
Four	4	
Five	5	
More than five	6	
Open tender	7	
Don't know	8	

- ASK IF INVITED LESS THAN THREE PROPOSALS (F6 = 1 OR 2)
- F7 **Why didn't you invite tenders or proposals from more providers?**  
DO NOT READ OUT. PROMPT AS NECESSARY. MULTI CODE.

INTERVIEWER: If they say "no need" or similar please ask: **Why didn't you need to consider more providers?**

Advisors only recommended one or two providers	1	
Trustees had existing relationship(s) with certain provider(s)	2	
Trustees had a preference for certain provider(s)	3	
Other providers lacked a track-record	4	
Other providers could not have met our needs	5	
Lack of information about other providers	6	
To help to keep the process simple / manageable	7	
Other (SPECIFY)	8	
Don't know	9	DO NOT MULTI CODE

- ALL WHO WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM AND IC (F3 = 1 OR F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))
- F8 **How many tenders or proposals did you receive?**  
DO NOT READ OUT. PROMPT IF NECESSARY. SINGLE CODE.

None	1	
One	2	
Two	3	
Three	4	
Four	5	
Five	6	
More than five	7	
Don't know	8	



ALL WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM AND IC (F3 = 1 OR F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

F9 **When you ran your tender exercise or invited proposals, which of the following did you do, if any?**

READ OUT. SINGLE CODE FOR EACH.

	Yes	No	Don't know
_1 Hold interviews with potential providers	1	2	3
_2 Attend or host site visits	1	2	3
_3 Ask potential providers for formal written submissions	1	2	3
_4 Ask potential providers to undertake initial modelling work	1	2	3

ALL WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM AND IC (F3 = 1 OR F4 = 1, AND NOT (A7\_1 = 1 AND A7\_2 = 1))

F10 **For each of the following, how easy was it for the board of trustees to understand and compare the proposals you received on a scale of [IF ROUTE = 1: very easy, fairly easy, not very easy, not at all easy][IF ROUTE = 2: not at all easy, not very easy, fairly easy, very easy]?**

READ OUT. SINGLE CODE FOR EACH.

DS: IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK/NA

	Very easy	Fairly easy	Not very easy	Not at all easy	Don't know	Not applicable
_1 The total level of fees payable	1	2	3	4	5	6
_2 The level of fees payable to the investment consultant	1	2	3	4	5	6
_3 The fees payable to third parties (e.g. asset managers)	1	2	3	4	5	6
_4 The investment track-record of the investment consultancy	1	2	3	4	5	6
_5 The overall quality of each proposal	1	2	3	4	5	6

ALL WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM AND IC  
(F3 = 1 OR F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

F11 **And overall, how easy was it for the board of trustees to identify the best investment consultancy for your scheme based on the proposals you received?**

*READ OUT. SINGLE CODE.*

DS: IN 50% OF CASES REVERSE RESPONSE SCALE (EXCEPT DK).

<b>Very easy</b>	1	
<b>Fairly easy</b>	2	
<b>Not very easy</b>	3	
<b>Not at all easy</b>	4	
DO NOT READ OUT: Don't know	5	

ALL WHO RAN A TENDER EXERCISE/INVITED PROPOSALS, UNLESS BOTH FM AND IC  
((F3 = 1 OR F4 = 1) AND NOT (A7\_1 = 1 AND A7\_2 = 1))

F12 **What, if anything, would have made it easier to identify the best investment consultancy based on the proposals you received?**

*PROBE FULLY.*

<i>WRITE IN</i>		
Don't know	1	

## G Those who switched provider of investment consultancy services

G1 THERE IS NO G1

ASK ALL WHO SWITCHED INVESTMENT CONSULTANT, UNLESS BOTH FM AND IC (F1 = 1 AND AND NOT (A7\_1 = 1 AND A7\_2 = 1))

G2 **When you switched your provider of investment consultancy, which company did you switch from?**

*DO NOT READ OUT. MULTI CODE.*

Agile	1	
Albourne	2	
Allenbridge	3	
AllianceBernstein	4	
Allianz Global Investors Europe GmbH	5	
AON Hewitt	6	
Ascot Lloyd	7	
Atkin & Co.	8	
Barker & Tatham	9	
Barnett Waddingham	10	
Bath Actuarial Consultants	11	
BBS Consultants & Actuaries	12	
Bfinance	13	
Blackrock	14	
BNP Paribas Investment Partners UK Limited	15	
Broadstone Corporate Benefits Ltd	16	
Bucks Consultants	17	
BWCI group	18	
Cambridge Associates	19	
Cannacord Genuity	20	
Cantab Asset Management	21	
Capita	22	
Cardano	23	
Cartwright	24	
Charles Stanley Pan Assets	25	
Conduent	26	
Congruent Financial Partners	27	
Cosan	28	
Dean Wetton Advisory	29	
Deloitte & Touche	30	
Deutsche Asset Management	31	
Ernst & Young (EY)	32	
Fidelity	33	
First Actuarial	34	

Gatemoor	35	
Go Pensions	36	
Goldman Sachs Asset Management	37	
H&C consulting	38	
Hamish Wilson Ltd	39	
Hewitt	40	
Hymans Robertson	41	
IC Select	42	
Independent Investment Associates Ltd	43	
Isinglass	44	
Jagger	45	
Jardine Lloyd Thompson Group (JLT)	46	
John Forbes Consulting	47	
Joseph G Byrn and Sons	48	
Kempen Fiduciary Management	49	
Kerr Henderson	50	
KGC	51	
Kim Gubler	52	
KPMG	53	
Lane Clark Peacock (LCP)	54	
Legal & General Investment Management	55	
M F S International UK Ltd	56	
Mercer	57	
Millman	58	
Mitchell Consulting Actuaries	59	
Momentum	60	
Muse	61	
National Pensiontrust	62	
Nest	63	
Nigel Sloam & Co	64	
Northern Trust	65	
OAC	66	
People Pensions	67	
Pi consulting	68	
Premier Pensions Management Ltd	69	
PriceWaterhouseCoopers (PwC)	70	
PSITL	71	
Psolve	72	
Punter Southall	73	
Quantum	74	
Quattro pensions	75	
Redington	76	
Risk First	77	
River and Mercentile	78	

Russell Investments	79	
Schroders	80	
SEI Investments Limited	81	
Simon Jagger Associates	82	
Spence and Partners	83	
Stamford	84	
Standard life	85	
State Street	86	
Supertrust	87	
Towers Watson	88	
Trigon	89	
UBS Asset Management (UK) Ltd	90	
Welplan	91	
Willis Towers Watson (WTW)	92	
Workers Pension Trust	93	
Xafinity	94	
Xerox	95	
Zephyrus	96	
Zurich	97	
Other (specify)	98	
Don't know	99	
Refused	100	

ASK ALL WHO SWITCHED INVESTMENT CONSULTANT, UNLESS BOTH FM AND IC (F1 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

G3 **Thinking about the switching process itself, how easy did the trustees find this?**  
**READ OUT. SINGLE CODE.**

DS: REVERSE RESPONSE SCALE FOR 50% OF TIME (EXCEPT DK)

<b>Very easy</b>	1	
<b>Fairly easy</b>	2	
<b>Not very easy</b>	3	
<b>Not at all easy</b>	4	
DO NOT READ OUT: Don't know	5	

ASK ALL WHO SWITCHED INVESTMENT CONSULTANT, UNLESS BOTH FM AND IC (F1 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

G4 **What, if anything, would have made the switching process easier?**  
*PROBE FULLY.*

WRITE IN		
Nothing would make switching easier	1	
Don't know	2	

## H Those who tendered / invited proposals but did not switch

ASK IF TENDERED/INVITED PROPOSALS BUT DID NOT SWITCH, UNLESS BOTH FM AND IC (F4 = 1 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

H1 **You told me that you tendered or invited proposals, but didn't switch to another provider of investment consultancy services for the scheme. Why did the board of trustees decide not to switch?**

*DO NOT READ OUT. MULTI CODE.*

*INTERVIEWER: If they say "no need" or similar please ask: 'Why didn't you need to switch?'*

Existing provider improved terms	1	
Existing provider was generally strongest	2	
Lack of options / lack of tenders/proposals	3	
Other suppliers' proposals were no better than that of existing provider	4	
Reputation of existing provider	5	
Preferred to avoid uncertainty of going with another provider	6	
Didn't want to lose expertise built up with existing provider	7	
Preferred to avoid time/effort/cost of actually switching	8	
Other (SPECIFY)	9	
Don't know	10	DO NOT MULTI CODE

ASK IF AVOIDED TIME/EFFORT/COST OF SWITCHING (H1 = 8)

H2 **What, if anything, would have made it easier for you to switch provider?**

*PROBE FULLY.*

<i>WRITE IN</i>		
Nothing would have made it easier	1	
Don't know	2	

## I Those who did not switch or tender

ASK THOSE WHO DID NOT SWITCH OR TENDER/INVITE PROPOSALS IN THE LAST FIVE YEARS, UNLESS BOTH FM AND IC (F1 = 2 AND F4 = 2 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- I1 **You said that you have not switched nor run a tender exercise or invited proposals for your [IF C2 MULTICODED:main ]provider of investment consultancy in the last 5 years. What were the board of trustees' reasons for not doing this?**  
DO NOT READ OUT. PROBE FULLY. MULTI CODE.

Content with current provider	1	
Too soon to judge current provider	2	
Don't want to lose expertise built up by existing provider	3	
Not confident an alternative provider would do better	4	
Preferred to avoid time/effort/cost of tendering/switching	5	
Scheme is too small to justify doing so	6	
Had a bad experience of doing so in the past	7	
Renegotiated terms with existing/current provider	8	
Have not considered doing so	9	
Other (SPECIFY)	10	
Don't know	11	DO NOT MULTI CODE

ASK THOSE WHO DID NOT SWITCH OR TENDER/INVITE PROPOSALS IN THE LAST FIVE YEARS, UNLESS BOTH FM AND IC (F1 = 2 AND F4 = 2 AND NOT (A7\_1 = 1 AND A7\_2 = 1))

- I2 **What, if anything, would make the board of trustees more likely to switch, or run a tender exercise or invite proposals, in the future?**  
PROBE FULLY.

WRITE IN		
Nothing would make us switch or run a tender process or invite proposals	1	
Don't know	2	



## J Investment consultancy rating

ASK ALL WHO BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 1)

- J1 **Based on your experience, how satisfied are you overall with the investment consultancy services of your [IF C2 MULTICODED:main ]provider? [IF C2 MULTICODED: Again, by main provider we mean the company or group of companies that you spend the most money with].**

*READ OUT. SINGLE CODE.*

DS: REVERSE RESPONSE SCALE (EXCEPT DK) FOR 50% OF SAMPLE

<b>Very satisfied</b>	1	
<b>Fairly satisfied</b>	2	
<b>Not very satisfied</b>	3	
<b>Not at all satisfied</b>	4	
DO NOT READ OUT: Don't know	5	

## K Fiduciary management background

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

K1 **Now I'd like to talk to you about fiduciary management; you told me earlier that you buy these services for <SCHEME>. Just to clarify, we're now talking about where the trustee board delegates some decision-making and implementation to a fiduciary manager, for some or all of the scheme's assets. [IF PENTYPE\_SURV = 3: Please give your answer in relation to the scheme overall.]**

**I'd like to know about the factors that influence why the board of trustees buys fiduciary management. How important is each of the following as a reason to do so on a scale of [IF ROUTE = 1: very important, fairly important, not very important, or not at all important][IF ROUTE = 2: not at all important, not very important, fairly important, or very important]?**

*READ OUT. SINGLE CODE FOR EACH.*

DS: ROTATE ITERATIONS. IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK.

	Very important	Fairly important	Not very important	Not at all important	Don't know	Not applicable
<b>_1 Accessing different asset classes and / or strategies</b>	1	2	3	4	5	6
<b>_2 Making investment decisions quicker and easier</b>	1	2	3	4	5	6
<b>_3 Reducing time pressures on trustees</b>	1	2	3	4	5	6
<b>_4 Bringing in expertise which trustees do not have</b>	1	2	3	4	5	6
<b>_5 Increasing returns</b>	1	2	3	4	5	6
<b>_6 Reducing risk</b>	1	2	3	4	5	6
<b>_7 Reducing governance costs</b>	1	2	3	4	5	6
<b>_8 Reducing asset management costs</b>	1	2	3	4	5	6
<b>_9 Bringing in ideas and innovation</b>	1	2	3	4	5	6

IF BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)  
**K2 Who do you buy fiduciary management from?**  
**PROMPT IF NECESSARY: Anyone else?**  
**DO NOT READ OUT. MULTI CODE**

Agile	1	
Albourne	2	
Allenbridge	3	
AllianceBernstein	4	
Allianz Global Investors Europe GmbH	5	
AON Hewitt	6	
Ascot Lloyd	7	
Atkin & Co.	8	
Barker & Tatham	9	
Barnett Waddingham	10	
Bath Actuarial Consultants	11	
BBS Consultants & Actuaries	12	
Bfinance	13	
Blackrock	14	
BNP Paribas Investment Partners UK Limited	15	
Broadstone Corporate Benefits Ltd	16	
Bucks Consultants	17	
BWCI group	18	
Cambridge Associates	19	
Cannacord Genuity	20	
Cantab Asset Management	21	
Capita	22	
Cardano	23	
Cartwright	24	
Charles Stanley Pan Assets	25	
Conduent	26	
Congruent Financial Partners	27	
Cosan	28	
Dean Wetton Advisory	29	
Deloitte & Touche	30	
Deutsche Asset Management	31	
Ernst & Young (EY)	32	
Fidelity	33	
First Actuarial	34	
Gatemoor	35	
Go Pensions	36	
Goldman Sachs Asset Management	37	
H&C consulting	38	
Hamish Wilson Ltd	39	
Hewitt	40	

Hymans Robertson	41	
IC Select	42	
Independent Investment Associates Ltd	43	
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Kerr Henderson	50	
KGC	51	
Kim Gubler	52	
KPMG	53	
Lane Clark Peacock (LCP)	54	
Legal & General Investment Management	55	
M F S International UK Ltd	56	
Mercer	57	
Millman	58	
Mitchell Consulting Actuaries	59	
Momentum	60	
Muse	61	
National Pensiontrust	62	
Nest	63	
Nigel Sloam & Co	64	
Northern Trust	65	
OAC	66	
People Pensions	67	
Pi consulting	68	
Premier Pensions Management Ltd	69	
PriceWaterhouseCoopers (PwC)	70	
PSITL	71	
Psolve	72	
Punter Southall	73	
Quantum	74	
Quattro pensions	75	
Redington	76	
Risk First	77	
River and Mercentile	78	
Russell Investments	79	
Schroders	80	
SEI Investments Limited	81	
Simon Jagger Associates	82	
Spence and Partners	83	
Stamford	84	

Standard life	85	
State Street	86	
Supertrust	87	
Towers Watson	88	
Trigon	89	
UBS Asset Management (UK) Ltd	90	
Welplan	91	
Willis Towers Watson (WTW)	92	
Workers Pension Trust	93	
Xafinity	94	
Xerox	95	
Zephyrus	96	
Zurich	97	
Other (specify)	98	
Don't know	99	
Refused	100	

ASK ALL WHO BUY FROM TWO OR MORE PROVIDERS AT K2 (K2 MULTICODED)

**K2A You told me that you use more than one provider. Which one do you spend the most money with?**

*DO NOT READ OUT. SINGLE CODE.*

DS: SHOW ONLY OPTIONS SELECTED AT K2.

<<Provider list from K2>>	1-97	
<K2_98>	98	
Don't know	99	
Refused	100	

DS: IF K2 SINGLE CODED, FORCE K2A = K2.

IF PENTYPE\_SURV = 3 (HYBRID SCHEME) AND A7\_2 = 1

**K2B Which part of your hybrid scheme do they provide fiduciary management for? Is it...**

*READ OUT. SINGLE CODE.*

<b>The whole scheme</b>	1	
<b>The Defined Benefit part only</b>	2	
<b>The Defined Contribution part only</b>	3	
DO NOT READ OUT: Don't know	4	

SHOW IF A7\_2 = 1

**As you answer the following questions, can I please ask you to answer in reference to the provider that you spend the most money with for fiduciary management services, who we'll refer to now as 'your [IF K2 MULTICODED:main ]fiduciary management provider'.**

ASK THOSE WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- K3 **How long has the board of trustees bought fiduciary management from your [IF K2 MULTICODED:main ]fiduciary manager? Your best estimate is fine.**  
**PROMPT AS NECESSARY. SINGLE CODE.**

Less than a year	1	
1 year or more, but less than 2 years	2	
2 years or more, but less than 5 years	3	
5 years or more, but less than 10 years	4	
10 years or more, but less than 15 years	5	
15 years or more	6	
Don't know	7	

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- K4 **Thinking about the fiduciary management that the board of trustees buys from your [IF K2 MULTICODED:main ]fiduciary manager, which of the following do you delegate to them – either in full or in the majority part - to carry out on your behalf?**  
**READ OUT. MULTI CODE.**

DS: ROTATE ITERATIONS 1 TO 6.

	Yes	No	Don't know
<b>Strategic asset allocation</b>	1	2	3
<b>Dynamic asset allocation</b>	1	2	3
<b>Designing liability hedging</b>	1	2	3
<b>Implementing de-risking strategy</b>	1	2	3
<b>Asset manager selection</b>	1	2	3
<b>Reporting and operational services</b>	1	2	3
<b>Setting scheme objectives</b>	1	2	3

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- K5 **Do you delegate responsibility across all of the scheme's asset classes or for some asset classes only?**  
**SINGLE CODE.**

All asset classes	1	
Some asset classes	2	
Don't know	3	

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

K6 **And how important is fiduciary management overall in meeting the scheme's objectives?**

**Would you say it is ...?**

*READ OUT. SINGLE CODE.*

DS: IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK

<b>Very important</b>	1	
<b>Fairly important</b>	2	
<b>Not very important</b>	3	
<b>Not at all important</b>	4	
DO NOT READ OUT: Don't know	5	

## L Purchasing process and decision for first fiduciary management provider

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- L1 **Thinking back to when you first bought fiduciary management for your scheme, who, if anyone, prompted you to consider buying these services? We mean the first time EVER that you bought fiduciary management, which was not necessarily from your current provider.**

*DO NOT READ OUT. MULTI CODE.*

*INTERVIEWER: If they say "an investment consultant" or similar please ask: **Was this your investment consultant at that time, or another investment consultant?***

Our investment consultant <u>at that time</u>	1	
<u>Another</u> investment consultant	2	
A different type of advisor	3	
The employer / sponsor (e.g. CEO or Finance Director)	4	
A fiduciary management provider	5	
A third-party evaluator	6	
Trustees' own initiative	7	
Something else (SPECIFY)	8	
Don't know	9	DO NOT MULTI CODE

ASK IF DON'T MENTION INVESTMENT CONSULTANT AT THE TIME ((L1 ≠ 1 OR 2) AND (A7\_2 = 1))

- L2 **You didn't mention them, so can you please confirm that your investment consultant at the time was **NOT** amongst those who prompted the board of trustees to first consider buying fiduciary management?**

*PROMPT AS NECESSARY. SINGLE CODE.*

Confirmed (Investment consultant at that time was <b>NOT</b> amongst prompters)	1	
Not confirmed (Investment consultant at that time <b>WAS</b> amongst prompters)	2	
Don't know	3	



- ASK IF SUGGESTED BY IC AT THE TIME (L1 = 1 OR L2 = 2)
- L3 **Thinking again about when you first bought fiduciary management services, you said that your investment consultant at that time prompted you to consider doing so. Which of the following things, if any, did they also do at that time?**  
*READ OUT. SINGLE CODE FOR EACH.*

DS: ROTATE ITERATIONS.

	Yes	No	Don't know
<b>_1 Mention their own fiduciary management service</b>	1	2	3
<b>_2 Mention one or more other fiduciary management providers</b>	1	2	3
<b>_3 Suggest that trustees use a third-party evaluator before selecting a fiduciary management provider</b>	1	2	3

- ASK IF SUGGESTED BY EXISTING IC (L1 = 1 OR L2 = 2)
- L4 **And in discussions with your investment consultant, at that time, about whether fiduciary management was right for your scheme, would you say they were ... ?**  
*READ OUT. SINGLE CODE.*

DS: IF 50% OF CASES REVERSE RESPONSE SCALE (EXCEPT DK)

<b>Strongly positive about fiduciary management</b>	1	
<b>Positive about fiduciary management</b>	2	
<b>Neutral about fiduciary management</b>	3	
<b>Negative about fiduciary management</b>	4	
<b>Strongly negative about fiduciary management</b>	5	
DO NOT READ OUT: Don't know	6	

- ASK ALL WHO BUY FIDUCIARY MANAGEMENT SERVICES (A7\_2 = 1)
- L5 **Which of the following, if any, did the board of trustees do when you were buying fiduciary management for the first time? Again, we mean the first time ever that you bought fiduciary management, which was not necessarily from your current provider.**  
*READ OUT. SINGLE CODE FOR EACH.*

	Yes	No	Don't know
<b>_1 Seek advice from a third party</b>	1	2	3
<b>_2 Ask a third party to run a tender process</b>	1	2	3
<b>_3 Run a tender process or invite proposals, with no external help</b>	1	2	3

ASK IF RAN A TENDER PROCESS / INVITED PROPOSALS (L5\_2 = 1 OR L5\_3 = 1)

L6 **In total, how many providers did you invite to submit a tender or proposal?**

PROMPT AS NECESSARY. SINGLE CODE.

One	1	
Two	2	
Three	3	
Four	4	
Five	5	
More than five	6	
Don't know	7	

ASK IF INVITED LESS THAN THREE PROPOSALS (L6 = 1 OR 2)

L7 **Why didn't you invite tenders or proposals from more providers?**

DO NOT READ OUT. PROMPT AS NECESSARY. MULTI CODE.

INTERVIEWER: If they say "no need" or similar please ask: **Why didn't you need to consider more providers?**

Advisors only recommended one or two providers	1	
Trustees had existing relationship(s) with certain provider(s)	2	
Trustees had a preference for certain provider(s)	3	
Other providers lacked a track-record	4	
Other providers could not have met our needs	5	
Lack of information about other providers	6	
To help to keep the process simple / manageable	7	
Other (SPECIFY)	8	
Don't know	9	DO NOT MULTI CODE

ASK IF RAN A TENDER PROCESS / INVITED PROPOSALS (L5\_2 = 1 OR L5\_3 = 1)

L8 **How many tenders or proposals did you receive?**

PROMPT AS NECESSARY. SINGLE CODE.

None	1	
One	2	
Two	3	
Three	4	
Four	5	
Five	6	
More than five	7	
Don't know	8	

ASK ALL WHO INVITED PROPOSALS/BIDS PROCESS (L5\_2 = 1 OR L5\_3 = 1)

L9 **For each of the following, how easy was it for the board of trustees to understand and compare the proposals you received, on a scale of [IF ROUTE = 1:very easy, fairly easy, not very easy or not at all easy][IF ROUTE = 2:not at all easy, not very easy, fairly easy or very easy]?**

READ OUT. SINGLE CODE FOR EACH.

DS: ROTATE ITERATIONS 1-4. IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK AND NA.

	Very easy	Fairly easy	Not very easy	Not at all easy	Don't know	Not applicable
_1 The total level of fees payable	1	2	3	4	5	6
_2 The level of fees payable to the fiduciary manager	1	2	3	4	5	6
_3 The fees payable to third parties (e.g. asset managers)	1	2	3	4	5	6
_4 The investment track-record of the fiduciary manager	1	2	3	4	5	6
_5 The overall quality of each proposal	1	2	3	4	5	6

ASK ALL WHO BUY FIDUCIARY MANAGEMENT SERVICES (A7\_2 = 1)

L10 **And when you appointed your first fiduciary manager, were they also your investment consultant at that time?**

SINGLE CODE.

Yes	1	
No	2	
Don't know	3	

## M Monitoring performance of fiduciary management provider

SHOW IF A7\_2 = 1

**Now answering again in reference to [IF K2A <= 97:<K2A>, ][IF K2A >= 98: the provider that you currently spend the most money with for fiduciary management services, who we're referring to as ]your current [IF K2 MULTICODED:main ]fiduciary manager.**

M1 THERE IS NO M1

ASK THOSE WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

M2 **Based on the information that you receive from your current [IF K2 MULTICODED:main ]fiduciary manager, how easy is it to monitor each of the following on a scale of [IF ROUTE = 1: very easy, fairly easy, not very easy or not at all easy][IF ROUTE = 2 not at all easy, not very easy, fairly easy or very easy]?**  
*READ OUT. SINGLE CODE FOR EACH.*

DS: ROTATE ITERATIONS. IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK

	Very easy	Fairly easy	Not very easy	Not at all easy	Don't know	Not applicable
<b>_1 The performance of your scheme or investments</b>	1	2	3	4	5	6
<b>_2 The fees you pay to your fiduciary manager</b>	1	2	3	4	5	6
<b>_3 The fees you pay to third parties (e.g. asset managers)</b>	1	2	3	4	5	6
<b>_4 The overall quality of service from your fiduciary manager</b>	1	2	3	4	5	6

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

M3 **Within the last 3 years, which of the following, if any, have you done in relation to your current [IF K2 MULTICODED:main ]fiduciary manager?**  
*READ OUT. SINGLE CODE FOR EACH.*

	Yes	No	Don't know
<b>_1 Undertaken a formal review of their fees</b>	1	2	3
<b>_2 Benchmarked their fees against those of other potential providers</b>	1	2	3
<b>_3 Commissioned an external party to assess their fees</b>	1	2	3
<b>_4 Challenged them to improve their terms</b>	1	2	3
<b>_5 Undertaken a formal review of the quality of their investment decisions</b>	1	2	3
<b>_6 Commissioned an external party to assess the quality of their investment decisions</b>	1	2	3
<b>_7 Reduced their mandate</b>	1	2	3

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- M4 **How important is each of the following in monitoring and scrutinising your current [IF K2 MULTICODED:main ]fiduciary manager on a scale of [IF ROUTE = 1: very important, fairly important, not very important, or not at all important][IF ROUTE = 2: not at all important, not very important, fairly important, or very important]?**  
*READ OUT. SINGLE CODE FOR EACH.*

DS: IN 50% OF CASES REVERSE RESPONSE SCALE EXCEPT DK/NA.

	Very important	Fairly important	Not very important	Not at all important	Don't know	Not applicable
_1 The scheme actuary	1	2	3	4	5	6
_2 The scheme sponsor and their advisors	1	2	3	4	5	6
_3 Other in-house advisors	1	2	3	4	5	6
_4 External advisors	1	2	3	4	5	6

ASK ALL WHERE SPONSOR IS IMPORTANT (M4\_2 = 1 OR 2)

- M5 **Typically, how many times a year does the scheme sponsor scrutinise or challenge your current [IF K2 MULTICODED:main ]fiduciary manager?**  
*PROMPT AS NECESSARY. FOR 'NEVER' TYPE 0.*

DS: ALLOW INTEGER 0 TO 52.

WRITE IN NUMBER		
DO NOT READ OUT: Don't know	1	

## N Awareness and monitoring of fees

ASK THOSE WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

N1 **What fee did you pay for the past 12 months or for the last full year for fiduciary management services from your current [IF K2 MULTICODED:main ]fiduciary manager?**

**You can give this:**

**EITHER as the monetary amount in pounds (£)**

**OR as the percentage of Assets Under Management (AUM)**

**OR as Basis Points (BPS).**

**Please exclude third-party fees (such as asset manager fees) when answering this question. Your best estimate is fine.**

IF SAME PROVIDER ((K2A = C2A OR K2A = ANY RESPONSE GIVEN AT C2) AND K2A <= 97): **Please provide your answer JUST for fiduciary management, and not including any fees you may pay to the same provider for investment consultancy services. WRITE IN ONE BOX ONLY.**

DS: ENFORCE RESPONSE IN ONE BOX ONLY, OR DK/REFUSED.

Pounds (£)	1	WRITE IN £ (DS: ALLOW UP TO 7 DIGITS)
Assets Under Management (%)	2	WRITE IN % (DS: ALLOW 0-100 AND UP TO 2 DECIMAL PLACES)
Basis Points (BPS)	3	WRITE IN (DS: ALLOW UP TO 6 DIGITS)
DO NOT READ OUT: Don't know	4	
DO NOT READ OUT: Refused	5	

## O Switching / tendering for fiduciary management

ASK ALL WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)

- O1 **May I just double check, in the last 5 years, have you switched your [IF K2 MULTICODED:main ]provider of fiduciary management?[IF K2 MULTICODED: Again, by main provider we mean the one that you spend the most money with].**  
SINGLE CODE

Yes	1	
No	2	
Don't know	3	

ASK ALL WHO SWITCHED FIDUCIARY MANAGEMENT (O1 = 1)

- O2 **Did you run a tender exercise or invite proposals as part of the switching process?**  
SINGLE CODE

Yes	1	
No	2	
Don't know	3	

ASK ALL WHO HAVE NOT SWITCHED FIDUCIARY MANAGEMENT SERVICES (O1 = 2 OR 3)

- O3 **In the last 5 years, have you run a tender exercise or invited proposals for your [IF K2 MULTICODED:main ]provider of fiduciary management?[IF K2 MULTICODED: Again, by main provider we mean the one that you spend the most money with].**  
SINGLE CODE

Yes	1	
No	2	
Don't know	3	

ASK THOSE WHO DID NOT SWITCH OR TENDER IN THE LAST FIVE YEARS (O1 = 2 OR 3 AND O3 = 2 OR 3)

- O4 **You said that you have not switched nor run a tender exercise for your [IF K2 MULTICODED: main] provider of fiduciary management in the last 5 years. What were the board of trustees' reasons for not doing this?**  
DO NOT READ OUT. PROBE FULLY. MULTI CODE.

Content with current provider	1	
Too soon to judge current provider	2	
Don't want to lose expertise built up by existing provider	3	
Not confident an alternative provider would do better	4	
Preferred to avoid time/effort/cost of tendering/switching	5	
Had a bad experience of doing so in the past	6	
Renegotiated terms with existing/current provider	7	
Have not considered doing so	8	
Other (SPECIFY)	9	
DO NOT READ OUT: Don't know	10	DO NOT MULTICODE

ASK THOSE WHO HAVE SWITCHED (O1 = 1)

- O5 **Overall, how easy was it for you to switch your fiduciary management provider?**  
READ OUT. SINGLE CODE.

DS: REVERSE RESPONSE SCALE (EXCEPT DK) FOR 50% OF SAMPLE

<b>Very easy</b>	1	
<b>Fairly easy</b>	2	
<b>Not very easy</b>	3	
<b>Not at all easy</b>	4	
DO NOT READ OUT: Don't know	5	



ASK THOSE WHO BUY FIDUCIARY MANAGEMENT (A7\_2 = 1)  
O6 **Based on your experience, how satisfied are you overall with the fiduciary management services of your current [IF K2 MULTICODED:main ]fiduciary manager?**  
*READ OUT. SINGLE CODE.*

DS: REVERSE RESPONSE SCALE (EXCEPT DK) FOR 50% OF SAMPLE

Very satisfied	1	
Fairly satisfied	2	
Not very satisfied	3	
Not at all satisfied	4	
DO NOT READ OUT: Don't know	5	

## P Those not using investment consultancy and / or fiduciary management services

ASK THOSE WHO HAVE NEVER BOUGHT INVESTMENT CONSULTANCY SERVICES (A8 = 2)

P1 **You say that, to your knowledge, the scheme's trustees have never bought investment consultancy services for the scheme. Why is that?**

*DO NOT READ OUT. MULTI CODE.*

Needs better met by in-house advisors	1	
Haven't considered	2	
Don't believe it will lead to better outcomes for the scheme	3	
Too expensive or not cost-effective	4	
No legal obligation to do so	5	
Too complicated to buy or to oversee investment consultants	6	
Don't want to delegate decision-making	7	
Concerns that investment consultants might have conflicts of interest	8	
Another reason (SPECIFY)	9	
Don't know	10	DO NOT MULTI CODE

ASK THOSE WHO PREVIOUSLY BOUGHT INVESTMENT CONSULTANCY SERVICES  
(A7\_1 = 2 AND A8 = 1)

- P2 **You say the scheme currently doesn't buy investment consultancy services but did so previously. Why did the board of trustees stop using investment consultancy services?**  
*DO NOT READ OUT. MULTI CODE.*

No longer needed as buy fiduciary management instead	1	
No longer needed following change in scheme circumstances or objectives	2	
Needs better met by in-house advisors	3	
Service received contributed to poor performance of scheme	4	
Service was too expensive / not cost-effective	5	
Too complicated to buy or to oversee the investment consultant	6	
Didn't want to delegate decision-making	7	
Concerns that investment consultants might have conflicts of interest	8	
Customer service was poor	9	
Another reason (SPECIFY)	10	
Don't know	11	DO NOT MULTI CODE

ASK ALL WHO DO NOT BUY INVESTMENT CONSULTANCY SERVICES (A7\_1 = 2)

- P3 **As things stand, how likely are you to start buying investment consultancy services for <SCHEME> in the next 5 years? Would you say you ... ?**  
*READ OUT. SINGLE CODE.*

DS: REVERSE RESPONSE SCALE (EXCEPT DK) FOR 50% OF SAMPLE

<b>Definitely will</b>	1	
<b>Very likely</b>	2	
<b>Fairly likely</b>	3	
<b>Not very likely</b>	4	
<b>Not at all likely</b>	5	
<b>Definitely won't</b>	6	
DO NOT READ OUT: Don't know	7	

ASK THOSE WHO HAVE NEVER BOUGHT FIDUCIARY MANAGEMENT (A9 = 2)

- P4 **You said earlier that you have never bought fiduciary management for the scheme, that is, where the trustee board delegates some decision-making and implementation to a fiduciary manager, for some or all of the scheme's assets. Why is that?**

*DO NOT READ OUT. MULTI CODE.*

*INTERVIEWER: If they say "advised against it by an investment consultant" or similar please ask: 'Was this by your your current [IF C2 MULTICODED:main ]investment consultant, or another investment consultant?'*

Advised against it by current (main) investment consultant	1	
Advised against it by another investment consultant	2	
Needs better met by in-house advisors	3	
Haven't considered	4	
Don't believe it will lead to better outcomes for the scheme	5	
Too expensive or not cost-effective	6	
No legal obligation to do so	7	
Too complicated to buy or to oversee the fiduciary manager	8	
Don't want to delegate decision-making	9	
Concerns that FM providers might have conflicts of interest	10	
FM does not have a long enough track-record	11	
Not appropriate for scheme circumstances or objectives	12	
Another reason (SPECIFY)	13	
Don't know	14	DO NOT MULTI CODE

ASK THOSE WHO HAVE NEVER BOUGHT FIDUCIARY MANAGEMENT, BUT DO HAVE IC (A7\_2 = 2 AND A9 = 2 AND A7\_1 = 1)

- P5 **Has your current [IF C2 MULTICODED:main ]investment consultant ever suggested that you consider fiduciary management for your scheme?**

*SINGLE CODE.*

Yes	1	
No	2	
Don't know	3	

ASK THOSE WHOSE IC HAS SUGGESTED FM (P5 = 1)

P6 **In addition to suggesting fiduciary management, which of the following things, if any, did they also do?**

*READ OUT. SINGLE CODE FOR EACH.*

*DS: ROTATE ITERATIONS.*

	Yes	No	Don't know
_1 <b>Mention their own fiduciary management service</b>	1	2	3
_2 <b>Mention one or more other fiduciary management providers</b>	1	2	3
_3 <b>Suggest that trustees should use a third-party evaluator before selecting a fiduciary management provider</b>	1	2	3

ASK THOSE WHOSE IC HAS SUGGESTED FM (P5 = 1)

P7 **And in discussions with them about whether fiduciary management was right for your scheme, would you say they were ... ?**

*READ OUT. SINGLE CODE.*

*DS: REVERSE RESPONSE SCALE (EXCEPT DK) FOR 50% OF SAMPLE*

<b>Strongly positive about fiduciary management</b>	1	
<b>Positive</b>	2	
<b>Neutral</b>	3	
<b>Negative</b>	4	
<b>Strongly negative</b>	5	
DO NOT READ OUT: Don't know	6	

ASK THOSE NOT CURRENTLY BUYING IC OR FM SERVICES (A7\_1 = 2 AND A7\_2 = 2)

P8 **Can you tell me a bit more about how investment decisions are taken for your scheme, and what, if any, advice trustees do take?**

*PROBE FULLY.*

<i>WRITE IN</i>		
Trustees do not take any advice	1	
Don't know	2	

## Q Potential conflicts of interest

SHOW ALL

**For the following questions that are about potential conflicts of interest, please think about investment consultancy and fiduciary management services in general, rather than about your own providers of these services, if you use them.**

ASK ALL

**Q1 Some analysts have suggested that there may be potential conflicts of interest in the investment consultancy and fiduciary management markets.**

**What is your perception of each of the following? Would you say *ITERATION TEXT* is ...?**  
*READ OUT IN FULL. SINGLE CODE FOR EACH.*

DS: RANDOMISE ORDER OF ITERATIONS. REVERSE RESPONSE SCALE (EXCEPT DK)  
FOR 50% OF SAMPLE

	Not a problem in the market	A problem, but generally well managed	A problem, and more should be done to address it	DO NOT READ OUT: Don't know
<b>_1 Investment consultants using their position to steer clients into their own fiduciary management services</b>	1	2	3	4
<b>_2 Business relationships with asset managers affecting the independence of investment consultants or fiduciary managers</b>	1	2	3	4
<b>_3 Receipt of gifts and hospitality from asset managers affecting the independence of investment consultants or fiduciary managers</b>	1	2	3	4
<b>_4 Fiduciary management providers investing scheme funds with their own asset managers or investment products</b>	1	2	3	4

- Q2 THERE IS NO Q2
- Q3 THERE IS NO Q3
- Q4 THERE IS NO Q4
- Q5 THERE IS NO Q5

ASK ALL IDENTIFYING A PROBLEM (ANY Q1\_1 TO Q1\_4 = 2 OR 3)

- Q6 **What, if anything, would you support to mitigate any of the potential conflicts of interest that you consider may be problematic?**

WRITE IN		
Nothing	1	
Don't know	2	

## R Summing up

SHOW ALL

- R1 **Finally, the CMA's market investigation team would be happy to hear from you regarding any other positive changes, including any unrelated to conflicts of interest, that you would like to see in the investment consultancy and fiduciary management markets. You can contact the CMA by emailing them at [investmentconsultants@cma.gsi.gov.uk](mailto:investmentconsultants@cma.gsi.gov.uk).**

## Z Thank and Close

ASK ALL

- Z1 **Thank you very much for taking the time to speak to us today. Would you be willing for us, IFF Research, to call you back regarding this particular study if we need to clarify any of the information?**

*READ OUT. SINGLE CODE.*

Yes	1	
No	2	

ASK ALL

- Z2 **And would you be willing to take part in further research or other stakeholder engagement with, or on behalf of, the Competition and Markets Authority in connection with their investigation into investment consultancy and fiduciary management services?**

*READ OUT. SINGLE CODE.*

Yes	1	
No	2	

IF CONSENT TO RE-CONTACT (Z1 = 1 OR Z2 = 1)

- Z3 **And could I just check, is <PHONENUMBER> the best number to call you on?**

Yes	1	
No ( <i>WRITE IN</i> )	2	

ASK ALL

- Z4 **And finally, please could I just take a few details ... ?**

Name:	<NAME>
Email address:	<EMAIL>
THANK RESPONDENT AND CLOSE INTERVIEW	

Finally, I would just like to confirm that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct. Thank you very much for your time today.



“

IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

#### Our Values:

##### 1. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don't undertake projects with a preconception of what “the answer” is, and we don't hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

##### 2. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual's way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

##### 3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.



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