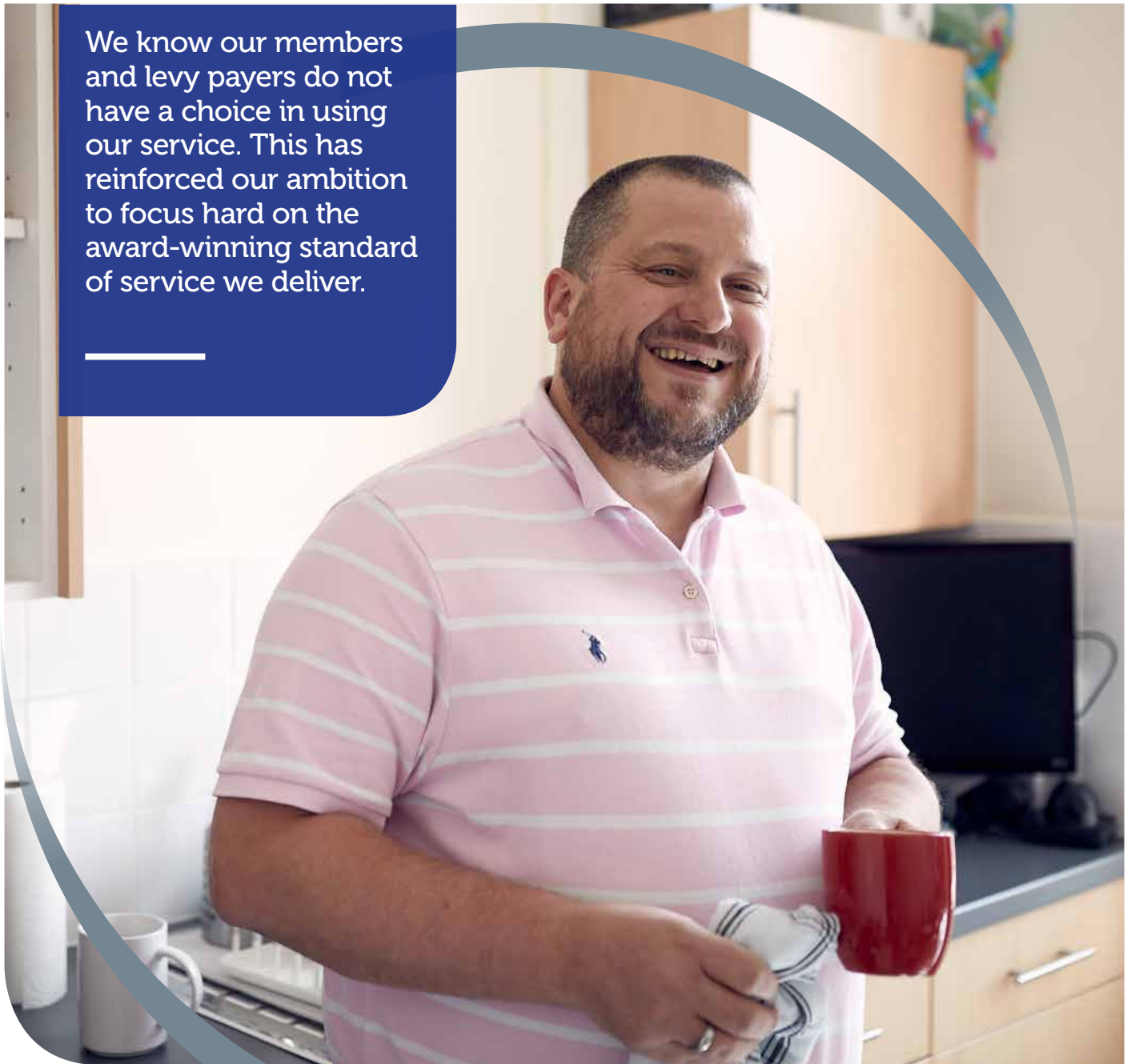


# Brilliant service for members and schemes

We know our members and levy payers do not have a choice in using our service. This has reinforced our ambition to focus hard on the award-winning standard of service we deliver.



97.4%

average member  
satisfaction

## Innovative and exceptional customer service as we grow

### KPI 7

Our members often join us during a particularly unsettling time in their lives, so we aim to make their onward journey with us as smooth as possible.

Since insourcing our member operations, our services have gone from strength to strength. We continually seek ways to make interactions and transactions with the PPF even better for our members.

After having successfully brought PPF member services in-house in 2015/16, we insourced FAS member services in 2018/19. FAS is now fully bedded in and our customer satisfaction scores are consistently high, at 97.5 per cent for FAS and 97.3 per cent for PPF members.

To achieve this parity of service we trained all our senior pensions administrators and more than half our pensions administrators on both FAS and PPF critical processes, and all our contact centre staff can handle calls from FAS members just as well as PPF members. This gives us confidence that we will always be able to offer a great service and we are better able to deal with peaks in demand across PPF and FAS.

## Administrative excellence

We believe that administration is a critical but often overlooked aspect of the pensions industry so were very proud to win the Pensions Administration Award at the Pensions Age Awards in February.

Our back office teams dealing with written correspondence make sure our responses do not just raise further questions in members' minds. We take the time to provide a thorough response to member queries, treating everyone as an individual and trying to put ourselves in their shoes to understand their needs. This is particularly evident in our response to complaint handling. We try our hardest not to make mistakes but where we do we place great emphasis on learning lessons for the future to minimise the chances of these errors recurring.

We set our SLA targets in 2015, agreeing no case should take more than five days to respond to. However, we believe that just focusing on SLAs can drive the wrong behaviours and make us target numbers rather than being member-focused. Our aim is to respond as soon as the enquiry arrives, so meeting the SLA is very rarely an issue. We deal with over 99 per cent of cases within SLA and only those that need extra input from our technical or actuarial team sometimes fall outside our very tight deadlines.

In the spirit of continuous improvement, our system support team holds fortnightly sessions where any customer-facing employee can come along and suggest a process or letter template change which they believe would improve the customer experience. This is a quick way to test and implement minor changes in response to frontline feedback, with many changes completed during the meeting. The sessions are exceptionally popular as improvements can be seen quickly. During the course of the year, 86 improvements were made, with consultation on a further 16 changes that will be part of larger projects.

## Vulnerable members

We continued to improve the experience of PPF and FAS members with disabilities or other vulnerabilities. Through our membership of the Croydon Dementia Action Alliance we learn from other organisations' experiences of supporting members with dementia, and as part of the Retail Customer Services Forum we are working towards a set of principles for supporting vulnerable customers.

We believe one of the most valuable things we can do is to put flags on members' records if members mention a particular vulnerability. This allows our team to adapt their services as needed, without the member having to repeat themselves each time we interact. We need members' permission to do this and have been training our team to have these conversations in a sensitive way.

## Brilliant service for members and schemes

continued

### Member Forum

In February 2020 we hosted our first ever Member Forum, which was created to better understand how people use our services. We received an overwhelmingly positive response with the majority sharing stories of relief when they realised their pension would be protected by us.

The members in attendance took the opportunity as a chance to find out more about how we are funded, asking questions about our funding strategy and how much control we have over the size of the levy we charge. They had nothing but praise for the work of our Investment team, and felt reassured by the success we've achieved.

// Having the chance to engage with our members was an incredibly insightful and rewarding experience. We hope to invite more members to future forums to share their thoughts and experiences.

### Sara Protheroe

Executive Director and Chief Customer Officer

### Transparent and stakeholder-friendly levy invoicing

KPI 8 KPI 9

KPI 10 KPI 11

In December 2019 we introduced new insolvency risk services with D&B, including a new suite of customer service functions and a newly-designed portal. Since the launch, levy payers have been actively checking their insolvency risk scores calculated by D&B, submitting queries online and holding live web chats with customer service advisers. This enabled D&B to calculate insolvency risk scores for the vast majority of employers by the end of March.

The portal is designed to give us greatly improved flexibility and potential for future development.

These services were developed with the help of stakeholders including our SME forum, with whom we met in September 2019 and February 2020.

In light of stakeholder feedback, we have kept separate telephone helplines for our insolvency risk partners for current and future levy years (Experian and D&B), but introduced a single phone number with interactive call routing so that calls are answered by the respective expert.

We published a new policy on levy payment plans in August 2019, which allows schemes and/or employers who are experiencing financial hardship to pay their levy in instalments at a reduced rate of interest. We have engaged with our SME forum and other stakeholders to help us evaluate the impact of the policy and whether further development is required. In addition, we have been offering levy payers an extra two months to pay without incurring an interest charge if their business or scheme is struggling as a result of COVID-19.

In September 2019, we introduced receipting functionality that notifies scheme contacts when their levy has been fully or partly settled.

// We are extremely grateful to our stakeholders who have taken time to give us feedback and to the members of our industry steering group and SME forum for helping us to reach this point. The services we offer are much enhanced as a result of their input.

### David Taylor

Executive Director and General Counsel



### Did you know...

- ▶ We want to raise the bar for the industry as a whole. We have been breaking down the boundaries on what was thought to be possible by developing new services for DB members. We talk to many pension schemes about our innovations, which we hope will improve both the automation and the member experience in an industry that has been thought to lag behind in this area because of the sheer complexity of pensions in general.

## In our members' words

“  
I have just been enquiring about my pension. I was speaking to one of your operators. If I could give him ten out of five I would. He absolutely helped me a lot. I m really, really pleased with his service, so I would just like to say thank you.  
”

“  
I would like to say that one of your representatives was absolutely amazing and fantastic today. She was so clear and precise and got all the information that I required straight away. And I must congratulate you on being so, so professional and thorough.  
”

“  
The gentleman I spoke to was extremely helpful and explained everything with great clarity. Just brilliant customer service. Thank you.  
”

“  
It was nice to get through quickly to someone who has the authority to deal with my question. Thank you.  
”

“  
I have just spoken with one of your employees who has very, very successfully and very speedily resolved a query I had. So I am very grateful for all her help. It's put my mind at rest. Thank you again.  
”

“  
Thank you very much. It really was very, very satisfying. The way he went through everything that I wanted was absolutely first class. I did say to him at the time that it was a pleasure to deal with somebody who is so clear and so precise and helped me so well.  
”



## Brilliant service for members and schemes

continued

### Court of Justice of the European Union Ruling – Hampshire

#### KPI 12

In 2018 the CJEU ruled in the case of Hampshire<sup>1</sup> that pension scheme members should receive at least 50 per cent of the value of their accrued old age pension in the event of employer insolvency. Some PPF members will be eligible for an uplift in their benefits, however the vast majority of PPF and FAS members already receive compensation in excess of this, so the number of members affected by this ruling is relatively small.

The work required to calculate and pay the increases is operationally complex and resource intensive, and we rarely have the data necessary to recreate members' former scheme benefits, so while we are working as quickly as possible it is not a straightforward exercise.

Over the year we started to increase payments to pensioners affected by the compensation cap. We also started to pay increases to those whose benefits fell below 50 per cent of the value of their accrued benefits because of a combination of the compensation cap and other factors.

In June 2020, the Administrative Court ruled on the challenge brought against us<sup>2</sup> over our approach to calculating increases and over whether the compensation cap was lawful. The Court ruled that our approach of making a one-off calculation is permissible, but needs to make sure that over the course of their lifetime each individual, and separately each survivor, receives at least 50 per cent on a cumulative basis of the actual value of the benefits that their scheme would have provided.

However, the Court also ruled that the compensation cap is unlawful on grounds of age discrimination. We

are working through our next steps, and will work closely with the Department for Work and Pensions (DWP) to understand how the UK Government will respond. In the meantime, we will continue to pay members their current level of benefits.

The 90 per cent rate of compensation we pay to members who were below normal pensionable age when their employer failed was not challenged in this case. The judge did not rule on it but did comment that the impact on those affected, although significant, does not render the measure inappropriate or unnecessary.

### Court of Justice of the European Union Ruling – Bauer

In December, in the case of Pensions-Sicherungs-Verein VVaG v Bauer<sup>3</sup>, the CJEU ruled that a reduction in the amount of occupational old age pension benefits paid to a member on account of their employer's insolvency is manifestly disproportionate where, as a result of the reduction, the member is living below the at-risk-of-poverty threshold determined by Eurostat.



- 1 Grenville Hampshire v Board of the Pension Protection Fund (Case C-17/17) EU:C:2018:674 (6 September 2018).
- 2 Hughes v Board of the Pension Protection Fund 2020 EWHC 1598 (Admin).
- 3 Pensions-Sicherungs-Verein VVaG v Bauer (Case C-168/18) EU:C:2019:1128 (19 December 2019).



The implementation of the Bauer judgment presents a significant operational complexity and we are working with DWP to address this challenge.

See pages 121 and 160

### Operational resilience

Our core operations must be able to continue when the unexpected

happens. In 2019/20 we strengthened our operational resilience, creating better cohesion between our risk management and business continuity plans.

Moving away from a single outsourced IT provider has given us a much improved understanding of the true resilience of our infrastructure.

In 2019/20 we revamped our emergency response approach,

creating a tiered system which enables us to respond appropriately to any given situation and improve the flow of information. Depending on the scale of the incident we may need to invoke both the emergency response team, to focus on tactical solutions, and the ExCo, to provide strategic direction.

We operate a schedule of regular testing and exercises, including an annual simulation exercise, scenario walkthroughs, and testing our recovery site and emergency messaging services. We are planning a data centre failover for later in 2020 to test our IT disaster recovery and set our own top-down tolerances for impact.

### Emergency Response Structure



## Brilliant service for members and schemes

continued

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We have benchmarked our operational resilience against:

- The Prudential Regulation Authority and the Financial Conduct Authority's first joint paper on operational resilience
- The Business Continuity Institute's good practice guidelines; and
- International Organization for Standardization (ISO) 22301.

This was an invaluable exercise; it showed us that we are well aligned to best practice and identified some gaps which we will close over the next year. Our target is to be compliant with regulatory expectations for a commercial financial services firm, despite not being regulated. We aim to work towards ISO 22301 accreditation.

Looking ahead, we will benchmark regularly, further embed business continuity awareness around the organisation and continually review, adapt and enhance our practices.

We were affected by three incidents over the year: the London Bridge attack in November, which impacted employees working at our City office; a bomb scare outside our Croydon office in February; and, of course, the coronavirus pandemic.

For each of these we responded effectively, putting into practice lessons learned from our training and from previous incidents and building on our response each time. The three incidents provided opportunities for continuous improvement, and all learning has been successfully embedded into our business continuity plans.

Our initial response to the coronavirus outbreak was timely and effective. We were able to send a text message to the whole organisation on the same evening that the Government first advised people to avoid travel and work remotely if possible. Within 48 hours our employees were working from home. Our operations since then have been running smoothly in this way, and in particular our Member Services teams continue to serve our members with the high level of service they have come to expect.

