

# CONSUMER DUTY

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It is the responsibility of HUB Financial Solutions as a distributor to distribute only products that represent fair value and only to consumers in the target market of the product with needs that the product addresses.

We have reviewed the published fair value assessments of the manufactured products HUB Financial Solutions distribute, which include a clear statement of target market, product benefits and needs relevant to different consumer groups, to ensure HUB Financial Solutions distributes products to the intended target market(s) and customers with appropriate needs.

## SUMMARY OF THE SELF SELECT PENSION ACCESS SERVICE

The self-select pension access service (SSPAS) helps members access their tax-free lump sum and invest the rest of their pension savings in the HUB Financial Solutions Personal Pension Account. The service gives customers the information they need to help them select the most appropriate investment fund to suit their circumstances.

- The SPASS service helps pension scheme members access their tax-free lump sum and invest the rest of their pension savings into a Personal Pension Account.
- Customers can decide how much of their tax-free amount they'd like to take up front - normally up to 25% of their total pension savings.
- For their remaining pension savings, there's a choice of investment funds managed by Blackrock through our investment pathways tool.
- The service doesn't provide advice, but instead gives members the information they need to help them select the fund that best matches their objectives, appetite for investment risk and capacity for loss. There's also a telephone support team on hand to support customers with their queries.
- Once their Personal Pension Account has been set up, customers can make regular or one-off payments into their plan, and transfer in money from any other pension arrangements they may have.
- When they're ready to use the rest of their pension savings, they can take one-off taxable lump sums, regular drawdown income or purchase an annuity

### Customer Journey

Customers for the SSPAS Service will come directly from our partners. We initially triage all customers to assess their eligibility for our service. Should a customer be eligible, we will explain how the service works, the steps in the journey and the information that we will require from them.

- A two-appointment guidance journey (minimum)
- 1st appointment – a member of our Investment Team will discuss with the customer their options, the product, information about the service, fund information and charges to provide the customer a clear picture of what the product and service offers to them. Customers are then given time to go away and do further research and seek help from Pension Wise and other such third parties. A follow up appointment would be agreed at the end of the first appointment.
- 2nd appointment – this appointment is to walk through the application stage of the process with the customer, taking details from the customer on fund choice, any tax-free cash requirements and potential future income needs.
- On completion all post sale information will be provided to customers such as charges information documents, personal illustrations and cancellation rights.
- Customer support is provided to customers for the lifetime of their investment supported through our Investment Team.

### Benefits:

The benefits of the SSPAS Journey are as follows:

- The SSPAS proposition helps pension scheme members access their tax-free lump sum and invest the rest of their pension savings in a Personal Pension Account. The service gives customers the information they need (guidance - not advice) to help them select an appropriate investment fund to suit their circumstances.
- Customers can decide how much of their tax-free amount they'd like to take initially - normally up to 25% of their total pension savings.
- For their remaining pension savings, there's a choice of investment funds managed by Blackrock through the Embark investment pathways tool.

- The service doesn't provide advice, but instead gives members the information they need to help them select the fund that best matches their objectives, appetite for investment risk and capacity for loss. There's also a telephone support team on hand to support customers with their queries.
- Once their Personal Pension Account has been set up, customers can make regular or one-off payments into their plan, make ad-hoc contributions and transfer money from any other pension arrangements they may have.
- When they're ready to use the rest of their pension savings, they can take one-off taxable lump sums, regular drawdown income or purchase an annuity.
- The Personal Pension is regulated by the Financial Conduct Authority (FCA).
- The Personal Pension is covered under the Financial Services Compensation Scheme (FSCS).

### Customer needs met relate to:

- Provides customers with guidance on entering pension drawdown and the support needed when making important financial decisions.
- Provides access to their pension savings and their tax-free lump sum.
- Ensures any remaining pension funds not drawn down are appropriately invested in line with their future goals.
- May wish to pass on the remainder of their pension savings as an inheritance after their death.
- Wants the flexibility of managing their own pension income at a level that suits them.
- Provides the customer a solution to allow them to take incremental withdrawals and not having to withdraw all pension savings in one go.

## TARGET MARKET

**We have a clear set of benefits aimed at a clear target market.** We include customer research, both direct and desktop based, in our proposition design procedure to ensure we are developing features and services to meet demonstrated customer needs.

The Self-select pension access service (Non-Advised Drawdown) is designed and suitable for customers who:

- are willing to make their own decisions without taking professional financial advice to assist them with their financial planning.
- are UK residents, employed (or self-employed) and qualify for tax relief on pension payments.
- are prepared to invest for the short to medium term, having already accumulated savings and are now able to start withdrawing those savings.
- have a minimum initial Pension savings pot of £7,000.
- can further invest a minimum of £50 as a one-off payment or commit to regular payments of at least £50 per month.
- want to consolidate savings from other pension schemes.
- want to limit the risk of capital loss.
- want a tax-efficient way to continue to build up their retirement savings by investing for potential growth, even if they have started to withdraw some savings to support their needs.
- want to have access to a limited number of investment choices and to receive structured guidance that will help them to choose an investment option suitable for their needs.
- want choice over how they take their retirement benefits and want to remain invested when they do.
- want to provide benefits for their beneficiaries on death.
- want the flexibility to stop, start or change their contributions and/or income without additional charges.

This product is unlikely to be suitable for clients who:

- are willing to seek and retain professional financial advice to assist them with their financial planning.
- are non-UK residents at the time of taking out a plan?
- want to invest in volatile, high-risk investments to make a quick return.
- can't accept any capital loss as there are no specific capital guarantees.
- want to make short-term, high-risk investments.
- wish to invest in cash only or to receive advice in relation to their investment choices.
- want a guaranteed income in retirement.
- who do not hold a UK Pension scheme

To be eligible for the Self-select pension access service (Non-Advised Drawdown) Proposition customers must satisfy the below criteria:

- Minimum age: 55
- Maximum age: 99
- Resident in the UK
- Minimum Contribution: £50
- Minimum Initial pension transfer: £7,000
- Maximum Initial pension transfer: No Maximum

We do not believe any consumer groups within the target market are inappropriately excluded by the limitations of the product. Our staff are trained in recognising the types of customer vulnerability that may exist in our target market and ensuring that limitations of the product as they relate to individual customers (vulnerable or otherwise) are understood and that these consumer groups have access to the full value offering.

## DISTRIBUTION STRATEGY

The SSPAS service is solely distributed via our ongoing business partner relationships, on a non-advised basis.

The proposition is presented to partners as a solution for customers wishing to take their tax-free cash have access to their remaining pension savings as part of a drawdown solution, our partners carry out several stages of triage to ensure that customers who are introduced to the SSPAS proposition are suitable and fit our target market criteria.

Due to the nature of non-advised business, there is more risk to customers as they have no direct advice from a financial intermediary. We therefore carefully designed the triage process to mitigate these risks.

**The HUB Financial Solutions distribution strategy combined with the service eligibility criteria provides assurance that only customers within our target markets will receive advice and only customers who will benefit from the product and receive appropriate value will receive a product recommendation.**

## FAIR VALUE

HUB Financial Solutions have completed a thorough price, value and profitability review, concluding that the HUB Financial Solutions SSPAS Service provides our target markets fair value.

We believe our service provides fair value to all groups of customers relative to the profits made by HUB Financial Solutions from these services. We'll monitor Fair Value as part of our proposition lifecycle management processes. Fair value assessments are undertaken at least annually to ensure that the services HUB Financial Solutions offer perform as expected and remain fair value.