

For financial advisers only

This document must not be distributed to or relied on by customers or any other persons.

# Product Governance and Value Assessment

## Cofunds Pension Account, provided by Curtis Banks – September 2024

This document provides important information on the target market and customer aims, objectives and needs that can be fulfilled by Cofunds Pension Account. It is intended for use by advisers and introducers to help you understand whether Cofunds Pension Account is right for your clients. It is based on Curtis Banks and Aegon's opinion and does not take into account individual circumstances. This document is written by Curtis Banks. Where it refers to 'we', this means Curtis Banks. This document has been collaboratively prepared between Curtis Banks and Aegon as co-manufacturers and as a result it differs in format to others produced individually by either Curtis Banks or Aegon.

## **What is Cofunds Pension Account?**

The Cofunds Pension Account is a platform-based Personal Pension that provides access to a wide range of investment funds within a tax-efficient pension wrapper. It gives clients the support of Aegon's services, plus the pension administration expertise of Curtis Banks. It's structured to invest solely in investment funds via Aegon's online platform.

It also includes:

- No switching charges.
- No establishment charge unless using drawdown.
- No annual administration charge unless using drawdown.
- No transfer-in fee or transfer out fees.
- When your clients are ready to take benefits from their pension, they can withdraw any tax-free cash available all at once or take it in stages. Should they choose to, they can set up regular income payments which can be amended or stopped at any time or take single payments as needed.
- Predominantly online and integrated with the Aegon Platform tools and features including cash facility, adviser charging, trading, and reporting.
- Availability to invest in the wide range of collectives on the Aegon Platform.

For more information, see 'Suitability and features of the Cofunds Pension Account' which can be found here on Aegon's website.

## **What client needs and objectives does Cofunds Pension Account aim to meet?**

Cofunds Pension Account is designed to be compatible with the following client needs and objectives:

- To build a pension fund in a tax-efficient Personal Pension wrapper over the medium to long-term, primarily for clients who already have a pension fund more than £5,000.
- The ability to invest in collective funds available on the Aegon Platform.
- To provide customers with a platform pension to sit alongside their platform ISA and investment funds.
- To consolidate different pension funds with one provider to benefit from economies of scale and easier administration.
- To have a broad, flexible range of retirement income options including the option to take part of their pension fund as a tax-free cash lump sum when they take their benefits.
- To enable the client or their employer to make regular or one-off tax-relievable contributions.
- To pass-on wealth to beneficiaries, including potential for provision of an income or lump-sum to their chosen beneficiaries if they die.

Cofunds Pension Account IS NOT designed to be compatible with the following client needs and objectives:

- To start out on a pension savings journey or for clients with small pension funds (less than £5,000).
- To invest only for the short term (less than 12 months).
- Clients not willing to accept the risks as stated in the Key Features.
- Not willing to accept any risk to capital or investing in Cash for the long-term while accumulating a pension fund.
- To be able to access savings before retirement (before age 55 for most clients, rising to 57 from April 2028).
- Clients looking for investment opportunities outside of the Cofunds platform.
- To invest in a Personal Pension without advice.
- Clients that require a guaranteed income for life at retirement stage (annuity is only available via Open Market Options transfer).
- Non-UK residents.
- US citizens.
- To allow their employer to use as an auto-enrolment scheme or to use instead of a workplace scheme with preferential terms (such as employer matching) that would outweigh the benefits of The Cofunds Pension Account.
- To accommodate insistent defined benefit scheme transfers against adviser recommendations.
- To invest using the FCA's Investment Pathways.

## **What client characteristics is Cofunds Pension Account designed to be compatible with?**

In addition to the needs and objectives Cofunds Pension Account is designed to meet, we can also define the client characteristics it's compatible with. As this can be a more subjective part of your advice process, we've broken down client characteristics into three main categories:

- **Target market** – This is the core group of clients that the product has been designed for.
- **Potential suitability** – This is a wider group of clients the product may still be suitable for but is not our core target market.
- **Not suitable for** – Clients exhibiting one or more of the characteristics stated here are unlikely to be suitable for this product.

<b>Client characteristic</b>	<b>Target market</b>	<b>Potential suitability</b>	<b>Not suitable for</b>
<b>Age</b>	30-75.	Any.	N/A.

Our target market range starts at 30 to allow for our minimum funding requirements and is based on a client who has built up a lump sum via savings in ISA/investments typically on Aegon platform and/or already holds existing pension(s) and wants to customise retirement income prior to annuity/income drawdown.

<b>Pension knowledge and experience</b>	Any level of pension knowledge and experience with a financial adviser.	Any level of pension knowledge and experience with a financial adviser.	Basic or lower pension knowledge without a financial adviser.
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Personal Pensions can be complex arrangements, especially when ensuring the right decisions are made at the right time to maximise benefits. We recommend taking financial advice but believe that confident, knowledgeable, unadvised clients should not be prevented from following their financial objectives.

<b>Investment knowledge and experience</b>	Any level of knowledge and experience with a DFM / Investment Manager / other adviser providing investment advice.	Any level of knowledge and experience with a DFM / Investment Manager / other adviser providing investment advice.	Basic or lower knowledge without a DFM / Investment Manager / other adviser providing investment advice.
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Cofunds Pension Account provides access to a wide range of collectives on the Aegon platform. We recommend taking investment advice but believe that confident, knowledgeable, unadvised investors should not be prevented from following their financial objectives.

<b>Pension Fund Size</b>	£25,000 or more.	£5,000 to £25,000.	Less than £5,000.
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Cofunds Pension Account has been designed to reach clients who may already be using Aegon for other products and could be looking to move savings or consolidate pensions pre-retirement. Therefore, the pension fund size should reflect some savings already rather than being at the start of accumulation.

<b>Length of investment</b>	Long term – 5 years, ideally longer.	Medium term (1 to 5 years) if there is a specific client objective.	To invest for the short term (less than 12 months).
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We recommend that investments are made at least for the medium to long term – that is at least five years and ideally longer. Shorter timescales may be appropriate in certain circumstances but less than 12 months is unlikely to be.

<b>Client characteristic</b>	<b>Target market</b>	<b>Potential suitability</b>	<b>Not suitable for</b>
<b>Attitude to/capacity for risk</b>	All except no appetite for risk.	All except no appetite for risk.	No appetite for risk and/or investing for capital preservation only.

The wide range of investments on offer mean that all attitudes and capacities for risk could be met except for zero risk or preservation of capital. Although capital preservation investment options may be available, it is likely that the combination of product, investment and advice charges will lead to some capital erosion.

<b>Tax status</b>	Relevant UK residents that are not US citizens.	Relevant UK residents that are not US citizens.	Clients who are not UK resident or are US citizens.
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Clients who are UK resident are more likely to benefit from investing in a pension.

<b>Income / wealth</b>	Mass affluent customers, mass market customers with the potential for above average income/savings.	Anyone who can meet the minimum funding criteria.	Those who do not meet the minimum funding criteria.
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Our target market includes those customers likely to have £25,000 or more to invest in their Personal Pension. Other customer segments may be suitable providing they meet the minimum investment requirements.

<b>Access to savings</b>	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments.	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments.	Requires access to savings before taking retirement benefits.
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Generally, clients must reach the Normal Minimum Pension Age (NMPA) before they can access their benefits. It may take time to realise the value of certain underlying assets, such as investments that contain property.

<b>Country of residence</b>	UK residents	UK residents	Non UK residents
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Our products are designed for UK residents subject to UK taxation.

<b>Client categorisation</b>	Retail Clients.	Retail clients.	Professional Clients or Eligible counterparties.
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Our products are designed for Retail Clients as defined by the FCA. Professional Clients and Eligible Counterparties are not able to invest in a pension. Pension, financial services or investment professionals acting in an individual capacity for their own pension will be treated as Retail clients.

## **Personal Pension complexity and advice**

The flexibility and range of options offered by Cofunds Pension Account can make it a complex proposition for clients to ensure they get the most from it. We recommend that clients use the services of a professional, FCA-regulated financial adviser and Discretionary Fund Manager (DFM) or investment adviser. All transfers-in from defined benefit schemes must have received positive advice from, and be submitted by, an FCA regulated financial adviser with all necessary permissions.

## **Cofunds Pension Account, Curtis Banks Group and our part in the distribution and value chain**

The Curtis Banks Group provide Personal Pension administration. We don't manufacture our own funds for use by clients in their Personal Pension.

Aegon will provide all the fund dealing, custody, cash management and associated services and in most instances, you will liaise directly with Aegon.

Both Aegon and Curtis Banks are responsible for ensuring that Cofunds Pension Account represents fair value to clients on an ongoing basis.

Neither Aegon nor Curtis Banks offer financial or investment advice.

Curtis Banks are not responsible for charges relating to financial or investment advice, although we do apply decency limits to advice charges facilitated by the Personal Pension.

## **How is Cofunds Pension Account distributed?**

The Cofunds Pension Account is distributed via Aegon through FCA authorised and regulated advisers who have clients within the target market, in line with the Aegon Terms of Business.

The Cofunds Pension Account is not sold directly by Aegon to end customers.

## **Vulnerable customers**

We have both a moral and regulatory duty to ensure that vulnerable customers are identified and treated fairly, according to their needs and experience outcomes as good as those for all other customers. We understand the importance of recognising and responding to vulnerability and the varied needs of vulnerable customers. To that end, both Aegon and Curtis Banks have a Corporate Vulnerable Customer Policy in place and staff have received and continue to receive ongoing training and support in recognising, dealing with and accommodating the needs of vulnerable customers.

The FCA has identified four key drivers which may increase vulnerability, these are:

- Health
- Life Event
- Financial Resilience
- Capability

To aid us in identifying and accommodating any additional support or tailored requirements that our customers may require, it would be beneficial to receive the following:

- Advisers or customers to notify at time of new business application of any adaptations required to support the customer.
- Advisers or customers to update us through the lifecycle of the plan of any new vulnerable characteristics identified or any that can be removed.

## Reviewing clients against our target market

Curtis Banks and Aegon review Personal Pension new business on a regular basis to assess whether the product has been distributed in accordance with the information in this target market document. However, in line with FCA guidance, it remains the responsibility of each distributor to ensure that this target market is followed as they are best placed to consider client personal circumstances, needs, objectives, characteristics, and suitability.

If Curtis Banks and Aegon have concerns about plans distributed to clients that Curtis Banks believe are unsuitable, Aegon will first contact the distributor to raise and discuss our concerns. Aegon will not take further action until this discussion has taken place unless Aegon feel there is significant potential for poor customer outcomes by delaying action.

## Outcome of our Consumer Duty Assessments

### Product & Service Assessment

A Product & Service Assessment was completed in April 2023 by Curtis Banks, reviewing the product against the relevant Consumer Duty rules contained in PRIN 2A.3, the Products & Services outcome rules. The assessment covered the following areas from a product design perspective:

- Target Market and Distribution Strategy
- Meeting the needs, characteristics, and objectives of the target market
- Risks of the product to the target market and vulnerable customers
- Vulnerable customers
- Avoiding adverse effects on groups of customers
- Vested rights / terms and conditions review
- Product testing
- The Cross-Cutting Rules
- Avoiding foreseeable harm and risk mitigation

No significant issues were found on completion of this assessment although several areas of improvement were identified, actions assigned and completed.

### Price & Value Assessment

Aegon conducted its own Value Assessment on the Aegon Platform in March 2023, and that is available separately on the Aegon website. Curtis Banks completed a Price & Value Assessment in April 2023 and July 2024, taking into account the outcomes from Aegon’s own value assessment. Reviewing the product against these, value assessments were carried out in line with the relevant Consumer Duty rules contained in PRIN 2A.4, the Price & Value outcome rules. The Curtis Banks assessment measured the total customer benefits provided by the product against the total costs to the customer in the following areas:

Customer Benefit Metrics	Customer Cost/Charge Metrics
Product features & benefits	Curtis Banks’ costs vs fees charged to customers
Quality of servicing	Market rate & charges for comparable products
Quality of scheme & investment governance	Customer groups & vulnerability
Distribution arrangements	Non-financial costs



Final ratings for both set of metrics were then adjusted according to any significant findings, positive or negative, related to the cross-cutting rules to come to an overall conclusion on whether the product provides fair value to customers in its target market.

Our final conclusion was that the product represents fair value to customers in the target market.

## Contact us

If you'd like to speak to us about anything on this target market document, please contact us on:  
T 01473 296 950

We may record and monitor calls. Call charges will vary.

Email: [enquiries@curtisbanks.co.uk](mailto:enquiries@curtisbanks.co.uk)

Please remember not to send any personal, financial, or banking information via email as it is not a secure method of communication.

The value of pension funds may fall as well as rise. Client's money is tied up until they take their benefits. Benefits can generally be taken any time after age 55 although this is due to increase to 57 in 2028.

The tax treatment and tax benefits of a Personal Pension outlined in this document are based on our understanding of current tax law at April 2024, and draft legislation that can change. Tax treatment depends on a client's individual circumstances and may be subject to change in the future.

**For more information speak to your usual Aegon representative.**