



# Members' Panel annual report

2023-2024



# Contents

<b>Introduction and background.....</b>	<b>3</b>
<b>Key messages.....</b>	<b>5</b>
<b>The Panels activities.....</b>	<b>6</b>
<b>Conclusion.....</b>	<b>8</b>
<b>Annex</b>	
Members' Panel biographies.....	10

# Introduction and background

The Nest Members' Panel leverages the diverse expertise of its members, combined with comprehensive member surveys, wider market research, and Nest's management insights, to provide informed guidance to Nest Corporation while actively advocating for Nest members' well-being.

---

## Heightened Economic Pressures

Our members continue to face significant financial pressures stemming from a confluence of factors that have persisted since the last report. This includes:

**Global Tensions:** Escalating geopolitical instability in the Middle East continues to cast a shadow on economic certainty, leading to commodity price hikes that erode members' purchasing power.



**Shifting Monetary Policy:** Interest rates have been raised from pandemic-era lows to combat inflation. While recent decreases bring us closer to the Bank of England's 2% target, the initial adjustments have already impacted members.



**The Cost-of-Living Crisis Bites:** As evidenced by the significant rise in food bank usage (3% of the population), the cost of living continues to climb. This creates hardship for many members, and given Nest's large membership base, it's highly likely some rely on food bank support.



**Un-retirement Trend:** Anecdotal evidence suggests a potential trend of "un-retirement" or increased working hours among semi-retirees. This could be a response to the cost-of-living pressures, with individuals needing to return to work or extend their working hours to make ends meet.



---

## **Pensions Reform and Its Shortcomings**

We acknowledge the development of pensions policy, including reforms like the removal of the Lifetime Allowance (LTA). However, the benefits of such reforms may not fully mitigate the ongoing cost-of-living crisis currently affecting our members. While this may be good for some higher earners, it does not help the typical Nest member.

---

## **Wage Increases and Taxation Concerns**

The recent increase in the minimum wage, coupled with reduced National Insurance contributions, provides some welcome relief for both legacy and new members facing shrinking pay checks. However, we note that the current tax band thresholds disproportionately disadvantages members whose income hasn't kept pace with inflation, pushing them into higher tax brackets.

---

## **Looking Toward the Future**

Nest has played a crucial role in supporting millions of savers towards a secure retirement. We hope the new government will maintain the current implementation timeline for legislated policies to ensure a smooth transition and avoid any potential disruption and detriment for our members.

# Key messages

---

## Positive Developments and Areas for Improvement



The Members' Panel welcomes the resolution of uncertainty surrounding the ATOS contract termination with the new TCS agreement. We anticipate this new contract could provide significant benefits to members, including reduced costs, enhanced functionality, and improved member journeys. Which would lead to higher engagement with our membership and therefore development of a more focused product, which will mean a more personalised journey for our members which is a welcome move to engage savers who have historically been disconnected from pensions savings in general.

Furthermore, the Panel remains highly interested in the progress of an enhanced Nest retirement vehicle. We believe offering such a product would empower members by promoting a deeper understanding of retirement planning and facilitating a holistic approach to their financial future.

---

## Contribution Charge Considerations



Nest's current 1.8% initial charge on member contributions exceeds that of some auto-enrolment competitors. For late-stage Nest joiners, especially those with shorter contribution periods, this charge might have a more pronounced impact on their pension performance.

The Panel anticipates Nest will strategically consider alleviating some of the contribution charge burden on members, potentially aligning with a move towards a single Annual Management Charge (AMC). We will continue to monitor this closely, particularly as Nest approaches the repayment window for its initial government loan

(2023-2025), which will decrease expenses and debt over time. We believe fostering competitive overall charges will further strengthen the Nest brand and ultimately benefit members.

---

## Small Pots and Pensions Dashboard



We acknowledge some delays in the progress of both small pots solutions and the pensions dashboard initiatives. These initiatives hold tremendous value for Nest members and pension savers overall.

# The Panels activities

The Panel met in person four times during the year with some Nest colleagues and Panel Members attending virtually in line with Nest's policy of Hybrid meetings where necessary. We joined the Board, Executive Committee and the Employers' Panel for a joint in person session in November 2023.

---

## Focus on Member Well-being and Informed Decision-Making

At each meeting, the Panel received comprehensive reports covering:

- › Scheme operations dashboards
- › Current and future Nest activities and strategic considerations
- › Updates on the impact of the Panel's previous recommendations

Investment performance remained a core focus, particularly given the market volatility experienced during the year. The Panel engaged in in-depth discussions on two to three key topics per meeting. These included both self-selected issues and those presented by the Board or Executive, allowing for timely input and insights into Nest's broader decision-making processes.

---

## Continuous Improvement and Future Aspirations

The Panel emphasises its role as an integral and evolving component of Nest's governance framework. Recognising this, the Panel welcomes innovative approaches to enhance member service. Examples include exploring the potential for a member-nominated trustee and fostering member engagement through "town hall" style meetings.

Two issues have been of particular interest and importance this year:

1. **Customer-Centric Focus:** The Panel actively followed Nest's "Customers at the Heart" programme, which aims to prioritise member needs across all aspects of Nest's operations. The panel has been encouraged by Nest's push towards a customer-led solution and look forward to being actively engaged to shape Nest's offering.
2. **Flexi-Access Drawdown:** The Panel supported Nest's efforts to amend its order and rules to effectively offer Flexi-Access Drawdown, ensuring a level playing field with other providers and avoiding potential member disadvantages.

**In June 2023**, the Panel discussed the relationship between employers and connectors which highlighted the importance of connectors in constant member acquisition. The Panel also discussed the new Statement of investment Principles (SIP) as part of the triennial review and the responsible investment strategies. Customer data insight was also shared with Panel members with focus on the Voice of Customer survey results which highlighted that Nest's members generally had low engagement with Nest and/or pensions. It was noted that Nest was currently developing new customer strategies that would seek to address some of these challenges. Kirsty Caudle who had served as Panel member since October 2019 stepped down from her role in June and the Panel and Nest Executives expressed their gratitude for her contribution to the work of the Panel.

**In July 2023**, a Joint Panels training session was held for all Panel members. The training which focussed on Diversity, Equity and Inclusion (DE&I) and Nest's Retirement Solution was led by a member of the Nest People and Development team and representatives from the Retirement Solutions teams. Feedback received from a significant number of attendees was very positive and more of such sessions will be organised for Panel members. The Chair of the Panel also presented its 2022/2023 Annual report to the Nest Board which was subsequently delivered to the Department of Works and Pensions (DWP) in adherence to its statutory obligation. The Panel maintained its view that Nest has continued to provide an excellent pension product and high levels of service to its members and their employers. notwithstanding the market turmoil and economic challenges.

**In September 2023**, the Panel was consulted on a scheme rule change to amend Rule 18 (Death Benefits) to remove the £5,000 limit and to amend Rule 11.2 (Pension accounts,

general account and excess contributions account). The Panel took a deep dive into Nest's transformation work which focussed on a transformation journey, with the aim of transforming Nest to be a more purpose-led and customer-centric organisation. The Panel raised thematic areas which it believed would help Nest to achieve its aim. The Panel also discussed Nest's current thinking on Later Life Protected Income options.

**In November 2023**, a Joint Panels and NCGB meeting was held offsite to encourage relationship building amongst Board Members, Panel members and EXCO. The meeting also served as a workshop session for information gathering as part of the transformation work aimed at making Nest more purpose-led and customer-centric as an organisation.

**In December 2023**, the Panel discussed the strategic review of Nest Invest as the team sought to find out whether its current business model was still efficient for the volume of assets under management totalling around £33billion. The Panel also did a deep dive into the Nest's new value proposition as part of its review of its customer strategy.

**In March 2024**, the Panel discussed the new Member Segmentation work lead by the data analytics team and had a mini-workshop on Nest's evolving purpose and vision. The Panel was also consulted on changes to the Nest Order to allow Flexi-access Drawdown (FAD) and supported the Board's decision to offer FAD without restrictions as a matter of equity and fairness to Nest's members. Nigel Cotgrove and Amy Doyley who had served as Panel members since October 2016 and October 2019 respectively, stepped down from their role in March 2024. The Panel and Nest Executives acknowledged the significant impact they made on the Panel and thanked them for their contribution.

# Conclusion

---

## Positive Assessment and Future Outlook

The Members' Panel is pleased to commend Nest's continued success in providing a high-quality later life savings vehicle. With a growing range of retirement options and efficient partnership with TCS, Nest delivers exceptional service to members, employers, and connectors. We are confident that the new administration contract will be instrumental in Nest's ongoing service evolution, leading to:

- › **Increased member engagement** fostering a deeper understanding of Nest's offerings.
- › **Expanded retirement choices** empowering members to optimise their retirement income.
- › **Improved overall member well-being** through a comprehensive approach to retirement planning.

The Panel also acknowledges the strong performance of Nest's investment funds and their commendable diversification into new asset classes.

We eagerly await the coming year and are particularly interested in observing the impact of the Bennett Review on both Nest and the Panel's role.



# Annex

# Members' Panel biographies

## David Hilton (Interim Panel Chair – May 2024)

David has a wealth of auto enrolment experience, having worked at the National Employment Savings Trust (Nest) from 2012 to 2015. As Senior Account Manager, David helped a wide range of employers and intermediaries set up and administer their Nest schemes. David remains a member of Nest, now works closely with payroll software and payroll users at Pensionsync Ltd, to ease the burden of auto enrolment administration. He focuses on automating the delivery of member data from payroll to multiple pension providers through Pensionsync. He holds the PMI Certificate in Auto Enrolment.

Earlier in his career, David worked in various consultant and project manager roles at Aquila Heywood implementing pension administration software for public and private sectors, having started out as a trainee actuary with BBS.

**David's appointment ends in September 2025.**

## Christopher Brooks

Christopher is Senior Policy Manager at Age UK, the national charity for older people. He leads Age UK's public policy work on private pensions, employment and skills, which involves representing the interests of consumers and older people to Government, regulators and industry. He also manages a team covering a diverse range of policy issues, including housing, transport and equalities policy. He has worked at Age UK since May 2010. Prior to this he worked at the awarding body City & Guilds, where he managed its Parliamentary and public policy activity, and before that at Lansons, a public affairs agency specialising in financial services.

**Chris' appointment ends in September 2025.**

## Leon Fellas

Leon is a Chartered Accountant and qualified financial planner. He is a member of the Institute of Chartered Accountants in England and Wales. He is a forensic accountant and valuation expert, where he advises on financial elements of litigations, international arbitrations and M&A transactions. Leon has also worked as a freelance writer and has contributed to a popular finance and investing blog where he has written about pensions, saving and investing. Leon believes that saving for retirement is a crucial step to lifelong happiness. He hopes that by being part of the Nest Members' Panel he can help to increase members' engagement in saving for retirement.

**Leon's appointment ends in September 2024.**

## Rachel Haworth

Rachel was previously Policy Manager at ShareAction, a charity established to promote transparency and responsible investment practices by pension funds and other institutional investors. While in this role, she engaged with UK policy makers, responded to consultations and produced briefings on a range of issues relating to the rules governing pension funds, the investment system and corporate reporting. She previously trained as a solicitor in the City of London, gaining experience in pensions and financial services law. Rachel has since re-trained and now practises as a counsellor. Rachel wants to help members of all ages and income brackets to get a good deal for their future, in terms of both their financial outcomes and the world in which they will live.

**Rachel's appointment ends in September 2025.**

### **Dominic Lindley**

Dominic is a self-employed member of Nest and an independent consultant specialising in pensions, financial services and consumer protection. He has worked for the Financial Services Consumer Panel, Which? And New City Agenda, delivering improvements for consumers including a cap on pension charges and stronger protection against payment scams. Following the introduction of pension freedoms, he has written several reports on how consumers can be helped and supported to make better decisions when accessing their pensions. He is a member of the Vanguard Independent Governance Committee, the Financial Reporting Council Advisory Panel and the Pensions Dashboards Programme Steering Group.

**Dominic's appointment ends in September 2025.**

### **Zoe Mackenzie**

Zoe is currently a People and Development Lead at Unifrog, a company committed to levelling the playing field for school leavers. Zoe is a Nest member and additionally worked at Nest from 2020 to 2022. She hopes that by being part of the Nest Members' Panel she can help members to increase their awareness and engage more with their pensions.

**Zoe's appointment ends in September 2025.**

### **Jules O'Neill-Shaw**

Jules has over two decades experience working within the financial and professional services sectors, most recently in legal and regulatory technology. Prior to working in the private sector, Jules worked with the TUC on partnerships between employers and trade associations in Financial Services, and was Regional Manager for Financial Capability within the former FSA, and then National Partnerships Manager with the Money Advice Service. She was also involved in the development of employer and member communications prior to the roll-out of automatic enrolment from 2012, and continues to engage with the impact of technology on the pensions industry and member engagement.

**Jules' appointment ends in September 2025.**

---

## Members finishing their terms during 2023–2024

### Catherine Walker (Panel Chair)

Catherine (who is a member of Nest) was appointed Chair of the Nest Members' Panel in October 2022 having been a member of that Panel since 2017. She qualified as a barrister and most of her early career was spent as an investment banker. She has held several public appointments, notably in the health sector, including her current role as Senior Independent Director of an NHS mental health and social care trust and a role in a large acute hospital trust. She is an Independent Panel Member for government departments BEIS and DLUHC and is a member/chair of the High Speed 2 Need to Sell scheme panel. She holds two specialist judicial appointments with the Ministry of Justice, sitting in Tribunals. She is a former Practice Director of a firm of employment/pensions solicitors.

**Catherine's appointment ended in May 2024.**

### Nigel Cotgrove

Nigel has extensive experience as an advocate and representative of pension scheme members. Until August 2020 he was a National Officer at the Communication Workers' Union where for 20 years, he was the lead negotiator on pension issues in the telecoms and financial services sectors, dealing with private sector defined benefit and defined contribution schemes. He was a member of the Airwave Solutions DC Governance Committee from 2007 to 2020.

Nigel is a Member Nominated Trustee Director of the BT Pension Scheme, and a trustee of the CWU 2000 pension. He is a member elect of the Prison Service Pay Review Body.

**Nigel's appointment ended in March 2024.**

### Amy Dooley

Amy is a Nest member and freelance singer-songwriter, working and touring across the UK, Europe and the US, with extensive customer service experience and consumer psychology insight. She works with community projects such as Girls Rock London, which builds self-esteem and empowers young females through music and is also a proud Musicians' Union London Regional Committee member. Amy also serves on London Young Workers Sub Committee and TUC Young Workers' Forum contributing to key issues affecting entrepreneurs, low earners and youth. In 2018, Amy attended the TUC Young Workers' Conference to talk about sexism and sexual harassment in the music industry and is very driven in empowering members to make informed decisions today about their financial future.

**Amy's appointment ended in March 2024.**

### Kirsty Caudle

Kirsty has worked as a senior payroll specialist for a number of years and is also a member of the Chartered Institute of Payroll Professionals. She has been responsible for the selection and implementation of Nest for a number of employers and is also a member of Nest herself. Kirsty believes that there is more work to be done to encourage people to be more involved with their pension savings and feels that being part of the Members' Panel provides the opportunity to work collaboratively with like-minded individuals.

**Kirsty's appointment ended in June 2023.**



**Nest Corporation**  
10 South Colonnade  
Canary Wharf  
London, E14 4PZ

**[nestpensions.org.uk](https://nestpensions.org.uk)**

© 2024 National Employment Savings Trust Corporation. All rights reserved.

Reproduction of all or any part of the content, use of the Nest trademarks and trade names is not allowed without the written permission of Nest. Nest does not warrant nor accept any responsibility for any loss caused as a result of any error, inaccuracy or incompleteness herein. This content is provided for information purposes only and should not be construed as financial, investment or professional advice or recommendation by Nest. Data may be obtained from third party weblinks, but these may not be error free and cannot be verified.