

LawDeb response to the FCA Value for Money Framework consultation (CP26/25)

About LawDeb

Law Debenture Pension Trustees and Law Debenture Pensions Governance (together, LawDeb) are the longest-established provider of professional trustee and pensions governance services in the UK, dating to 1969. We hold appointments across approximately 141 pension schemes, representing over £317 billion in assets — spanning commercial and industry-wide Master Trusts, IGCs, and single-employer arrangements. Our team of more than 50 salaried pensions professionals is structurally independent: we provide no investment management, actuarial, covenant, or administration services, so we have no advisory relationships of our own that could conflict with the interests of the schemes we serve.

What we welcome

- The simplification of backward-looking metrics and removal of the external advice requirement for forward-looking metrics.
- The “bedding-in” period, with no automatic consequences attached to ratings while the Framework is established.
- The continued phasing approach, which we think should prioritise commercial Master Trusts before extending fully to industry-wide and smaller single-employer arrangements.

In short

“This version of the Framework is a real improvement on where it started, and we support its ambition. Our comments focus on making sure it can tell the difference between an arrangement in genuine difficulty and one that’s simply having an off year — and on recognising value wherever it comes from, including from employers who choose to do more for their members.”

Elizabeth Hartree, Head of DC

What we think still needs work

- **Amber ratings need a cure period.** Immediate closure to new business risks forcing an arrangement out of the market through employer exit and loss of adviser recommendations — regardless of whether the underlying issue is addressable. We’ve recommended a defined period (e.g. 12 months) for trustees to demonstrate a credible path back to green.
- **Metrics shouldn’t discourage bold or innovative allocation.** Uniform risk metrics and granular asset allocation disclosure both risk pushing providers toward the same “safe,” comparable positioning — at the expense of diversification and private market investment the growth agenda wants to encourage.
- **Employer-borne value should count.** Where employers materially support a scheme — bearing costs or adding benefits beyond what’s available in the open market — trustees should be able to factor this into their assessment, rather than metrics implicitly pointing toward consolidation.

LawDeb’s full response, together with our earlier responses to CP24/16 and CP26/1, is available on request. Contact Elizabeth Hartree or Christopher Hay to discuss.



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