

CONSUMER DUTY

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 NON- ADVISED GUARANTEED INCOME FOR LIFE (GIFL) COMPARISON SERVICE

HUB Group Whole of Market Annuity comparison service is a non-advised telephony-based or paper-based service. It provides a guided service, enabling the customer to understand what an annuity is, what the benefits of an annuity are, along with the risks and consequences of taking an annuity out, which is an irreversible decision. The key principles of the service we provide being to help customers:

- Providing all the benefits and risks of each of the shaping options
- Providing information to enable customers to understand all their annuity shaping options so they can decide which best suits their needs
- Taking their health and lifestyle information, to provide them with the best annuity available from the whole of the open market.
- Once a customer has made their decision as to which quote they wish to proceed with, HUB-FS issues the chosen provider's application to the customer, helps them to complete the application form and once it's returned, HUB-FS checks the details, ensures it's fully completed and submits it to the provider.
- Once with the provider, HUB-FS ensures it's all on track through to completion, liaising with both the customer and the provider to keep each party fully informed.

Customers will not receive advice or a recommendation from us when they use our service, and the customer is responsible for ensuring that a guaranteed income for life is suitable for their needs. The service is only available to people aged 55 and over.

Customer Journey

Customers whether they are referred from our partners or come to us directly will:

- Initially be triaged 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 need from them. The main appointment will be booked on this call.
- 1st appointment – the retirement co-ordinator will undertake a fact find to understand the customers preferred annuity shape, understand their health and lifestyle circumstances, provide the best whole of the open market annuity quote. Discuss with the customer if they wish to proceed.
- If they choose to proceed, the Retirement Income Admin and New Business processing teams manage all new business applications, from sending them out with the correct information, through to completion, supporting the customer in ensuring providers / ceding providers are co-ordinated so that customers can complete their applications as quickly as possible in line with the customers objectives.

Benefits:

The service guides customers through a complex journey, enabling them to purchase an annuity without advice, it helps customers to:

- Understand all the annuity shaping options available to them, the benefits and consequences of each, so they can make an informed decision as to which option suits their needs,
- Access their tax-free cash
- Where a Guaranteed Annuity Rate (GAR) is available from their ceding provider, it makes sure that they are not missing out on ‘valuable’ income, and understand any limitations of the GAR available
- Include all their health and lifestyle circumstances, so we can provide an enhanced annuity quote, ensuring they get the most income in their retirement.
- To shop around in one place, without having to go to each individual provider. The service compares annuity quotes from the whole of the open annuity market and provides customers with the best quotes.
- Have the reassurance that their Pension Company has done their due diligence to choose the best annuity distributor in the market.
- To transact with their chosen provider, without having to contact them directly. HUB-Financial Solutions does this for them right through to completion.
- To access their pension fund through a guided service.
- HUB Financial Solutions are regulated by the Financial Conduct Authority (FCA).
- By not taking advice the customer could:
 - Risk failing to understand some of the complexities around annuities.
 - Where a Guaranteed Annuity Rate is available, they may choose this without understanding the options available, which may not be the right option for their personal circumstances

- They may choose to contact each provider directly themselves, which takes more time and effort, and risks the comparison not being made on the same basis, giving rise to a decision being made on an incorrect basis.

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 services to meet demonstrated customer needs.

This service is designed and suitable for clients/ employees, who typically engage in the months leading up to their retirement:

- Require certainty, security, and peace of mind throughout their retirement.
- Need help and support in understanding all options and implications.
- Need to feel secure and confident in those they deal with
- Prefer to have a regular, known level of retirement income that is not affected by investment market performance - GIFL.
- Want some cash (up to 25% tax-free cash)
- Want to access my pension.
- Want to ensure my spouse / partner or dependents are provided for on their death.
- Want to inflation proof their retirement income.
- Want to protect the capital value of their pension in case of premature death.
- Customers could have their funds currently in drawdown and wish to move their funds to somewhere with more stability, where they can gain a guaranteed income, and remove the risk of running out of money.
- Choose to maximize their retirement income through using a service ensuring their personal lifestyle and health conditions.

This product is unlikely to be suitable for clients who:

- Are below 55 unless they are retiring due to ill health.
- Wish to fully encash their whole fund.
- Customers who want to make a higher risk investment.
- Customers with diagnosed terminal illness (given less than 12months)
- Specific vulnerable customers, those who do not have capacity to make an informed decision themselves – without a Power of Attorney
- Customers wanting advice.
- Those wanting Fixed Term annuities, investment linked, variable rate or with-profits annuities.
- Are not UK residents.
- Are not a member of a UK pension scheme.

Eligibility criteria

To prevent service to customers for whom such advice would be unsuitable, we have clear eligibility criteria. These criteria are:

- Aged 55-75 (but can handle older customers with a reduced panel), customers younger than 55 can access their pension fund if they have serious ill health.
- Looking to access their pension savings in the next 0-6 months prior to their 55th birthday or anytime thereafter.
- Have a min £1k net fund value in pension savings, which is depends on the minimum value offered by the whole of market annuity providers.
- Have a max of £2m net fund value, which depends on the maximum value offered by whole of market annuity providers. However (our belief is that anyone with funds over £250k would benefit from advice and this is recommended but only flags it, it doesn't kick them out of the service if they wish to continue). In the Workplace journey the higher fund value may not be currently flagged.
- UK resident
- Member of a UK pension scheme
- We will not break our guidance rules for insistent customers or execution only customers.

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

HUB Financial Solutions provides a Non-advised GiFL comparison service. The service is available through a number of different distribution channels.

The primary distribution is via Strategic Partner relationships who generate leads which are qualified through our eligibility criteria for the service before being booked an appointment.

We currently provide a whole of market annuity comparison service, with 6 providers in the open market – Aviva, Canada Life, Just, L&G, Scottish Widows and Standard Life who entered the market with a soft launch with HUB-FS on 26th June 2023. Our customers, depending on proposition and referring partner, may also have access to their existing provider rate – this will be factored into our review.

Our proposition is distributed to our target market, this is managed through our partners and our eligibility criteria. We have 4 distinct partner propositional models;

- **Life Companies, Banks & Affinity Partners and HUB IFA Referral** - Telephone based whole of market non-advised/guided annuity comparison service, servicing partner's customers at the point they choose to access their pension

- **Workplace Partners** – providing a Pre-Retirement and an At-Retirement report, giving customer the options available to them and the quotes based on the information they have submitted, and providing the top quote and the providers application form, after holding a customer understanding call.
- **GAR Broking Service:** we can provide a GAR Service which enables HUB-FS to ask providers to determine how much it would cost us to match a Guaranteed Annuity Rate in the market, in exchange for the customer foregoing their guaranteed benefits
- **PRIME installations to Life Companies:** enabling them to access the PRIME system to gain access to open market annuity rates, and provide them to their customers themselves, without transactions, which is separate from the HUB FS Annuity Comparison Service. This is a licensing agreement for the Company to use the software that HUB Digital Solutions provides.

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 Non-Advised Guaranteed Income for Life Comparison Service provide 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 on 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.