



February 2025

Barnett Waddingham's independent trustee survey

Unveiling insights into the professional independent trustee (IT) market and what to expect when working with an IT.





Executive summary

Our report uncovers valuable insights into what it's really like to work alongside ITs, from the individuals who work directly with them.

We explore the following key factors which should be considered when selecting an IT:

1. the value they've brought to the schemes where they have been appointed;
2. what ITs could do differently to help their clients further; and
3. the perceptions of those who haven't worked with them before.

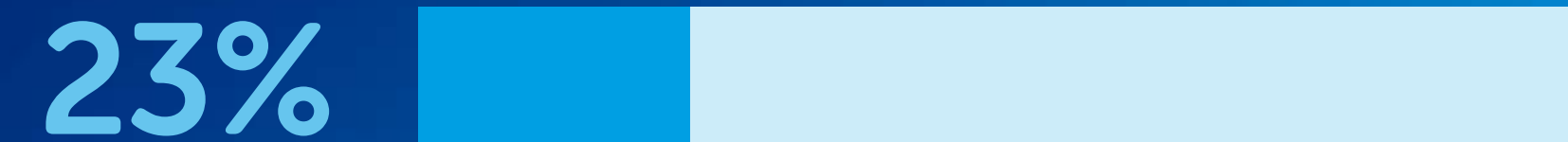
We'll also provide insights into:

- trends in areas for improvement that ITs could address;
- why a scheme may decide not to appoint an IT; and
- what would make a scheme consider appointing an IT in future, and much more.

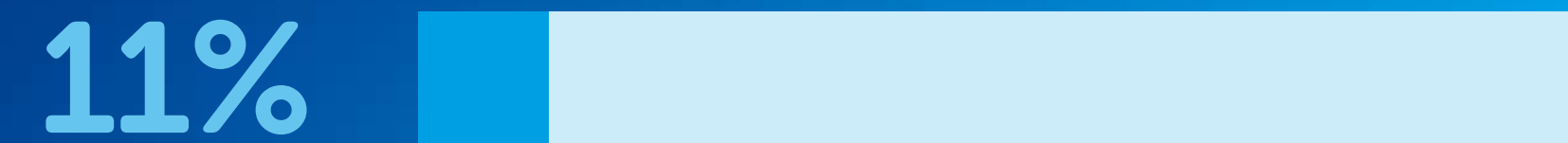
Do the respondents currently have an IT on board?



have appointed an IT to their scheme as either a co-trustee, chair or sole trustee.



had never considered an IT before.



didn't have an IT but had considered it in the past.

Who responded

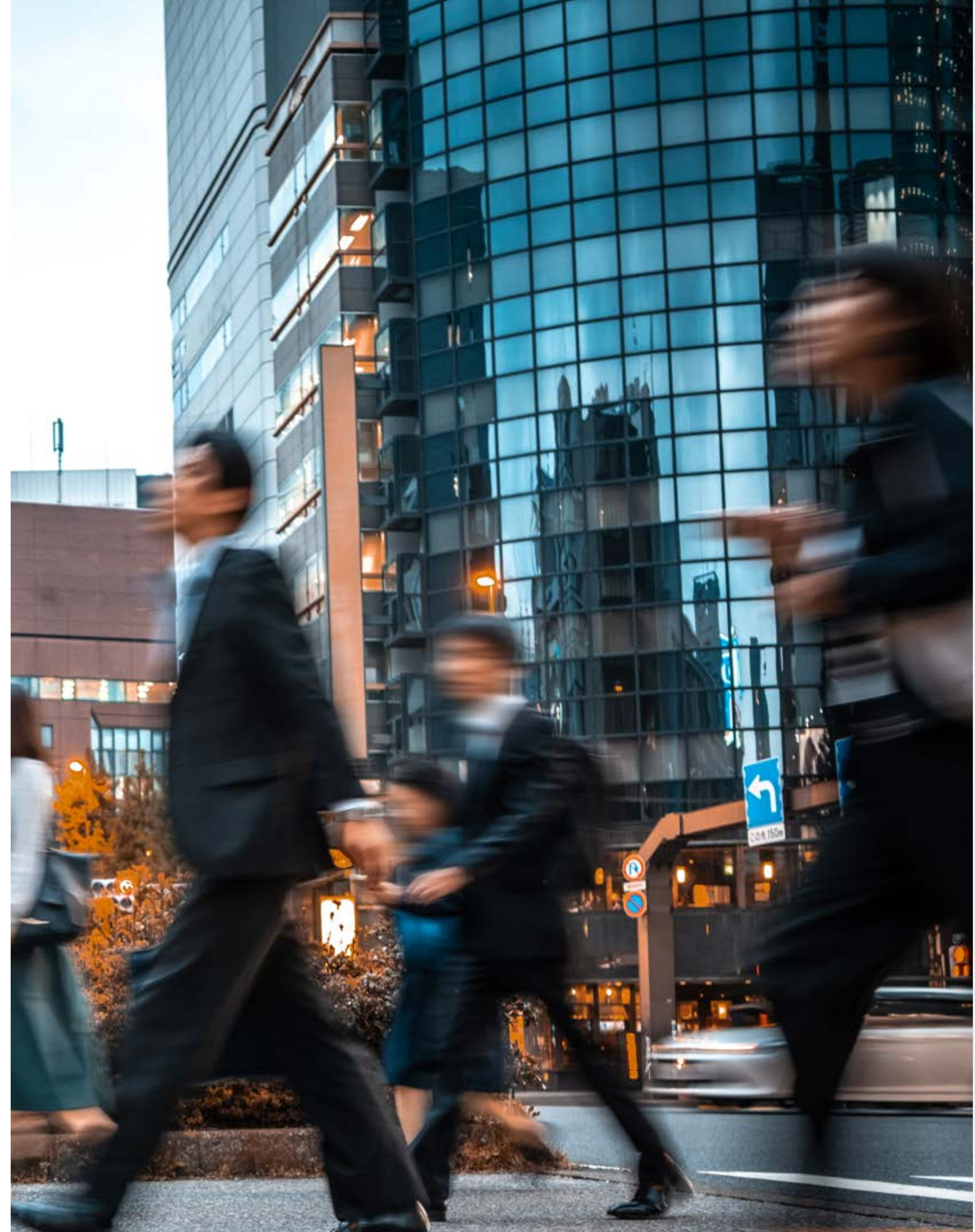
Our intention was to survey individuals who work alongside professional trustees. We have had over **220 responses** from a range of individuals including member nominated trustees, company appointed trustees (non-ITs), company representatives and pension managers. This has helped us to provide a comprehensive assessment of the IT market, **moving beyond just factual data to focus on added value to the respondents' schemes.** The survey responses include both clients and non-clients of BW to provide a broad view of market perception.

The chart below shows the percentage distribution of respondent types.



- Chair of trustees
- Co-trustee*
- Company representative
- Pension Manager

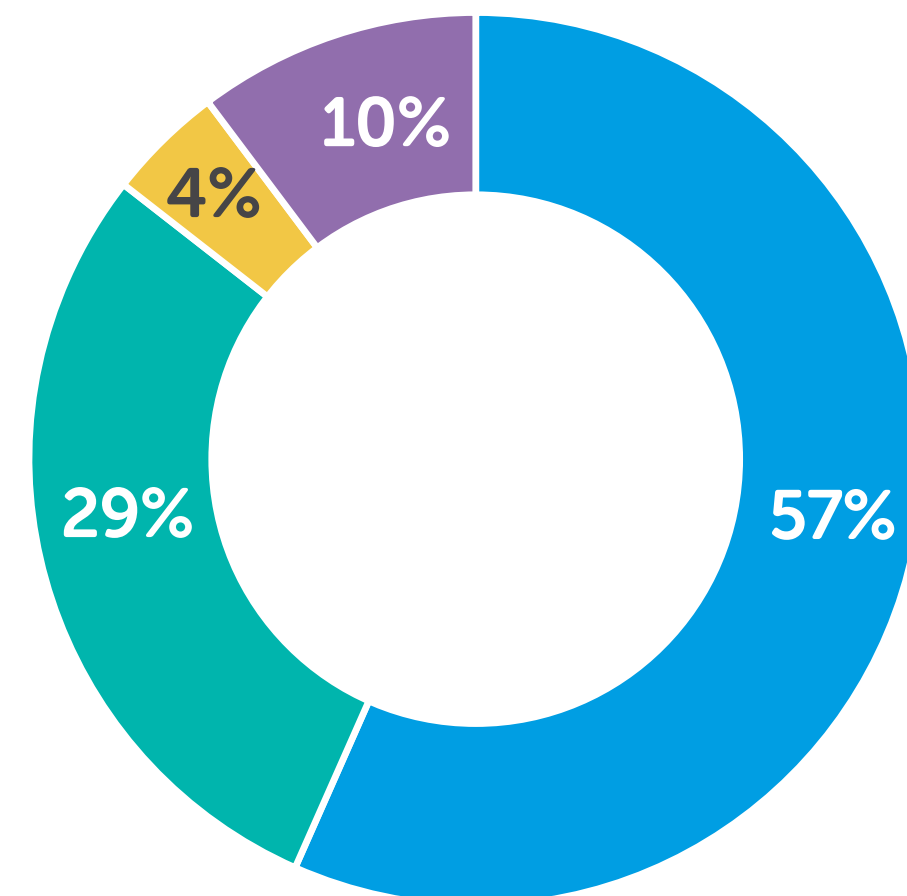
*A trustee of a scheme who is not a professional IT.



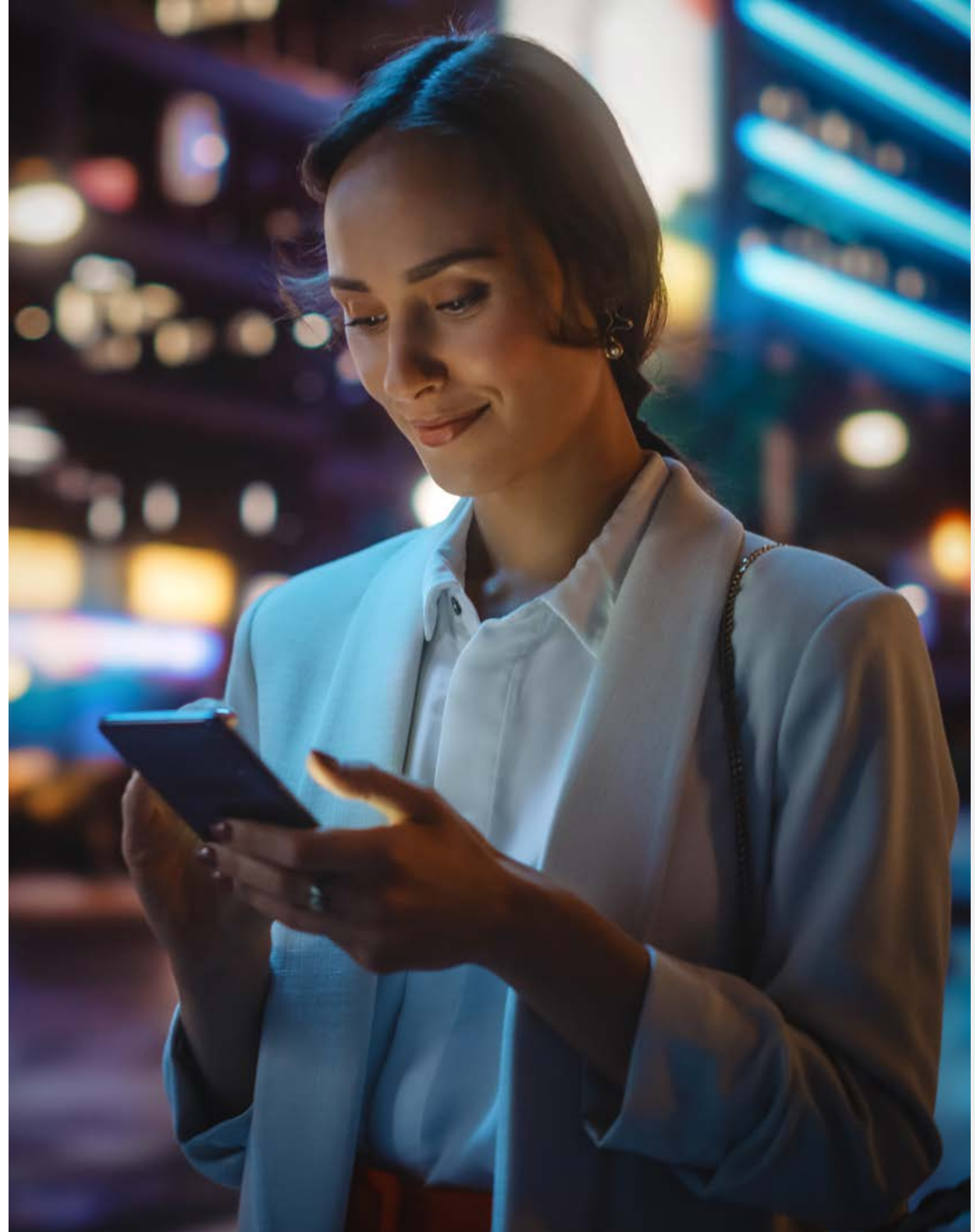
What type of schemes do the respondents represent?

Most of our respondents work with a defined benefit (DB) pension scheme with some respondents working on schemes with hybrid elements. Schemes were a broad mixture of structures from closed or open to accrual or new entrants.

Our respondents worked on schemes with a range of asset sizes as can be seen from the chart below.



■ Small - under £100m ■ Medium - £100m-500m
■ Large - £500m-£1bn ■ Very large - £1bn +



Key takeaways

ITs enhanced decision-making and brought valuable experience

The main headline from the survey was the general agreement that an IT significantly enhanced the decision-making process for trustees and brought a wealth of experience to the board.

.....
“Overall, highly satisfied” was a repeat quote we received from respondents on the quality of their service.
.....

The key areas where the value that an IT brought to the scheme was assessed as greater than expected were:

- increased knowledge to the board;
- better management of advisors;
- budget management;
- better and quicker decision making; and
- management of key projects.

Most respondents had no issues or concerns with their IT

We asked how ITs could improve their service. An impressive **73%** of respondents were pleased to report a high-quality service from their IT with no reports of issues or concerns.

Our results found company and trustee representatives had differing views on the pros and cons of working with ITs, and their views also varied based on the size of pension scheme.

Some respondents did suggest improvements which varied based on their role.

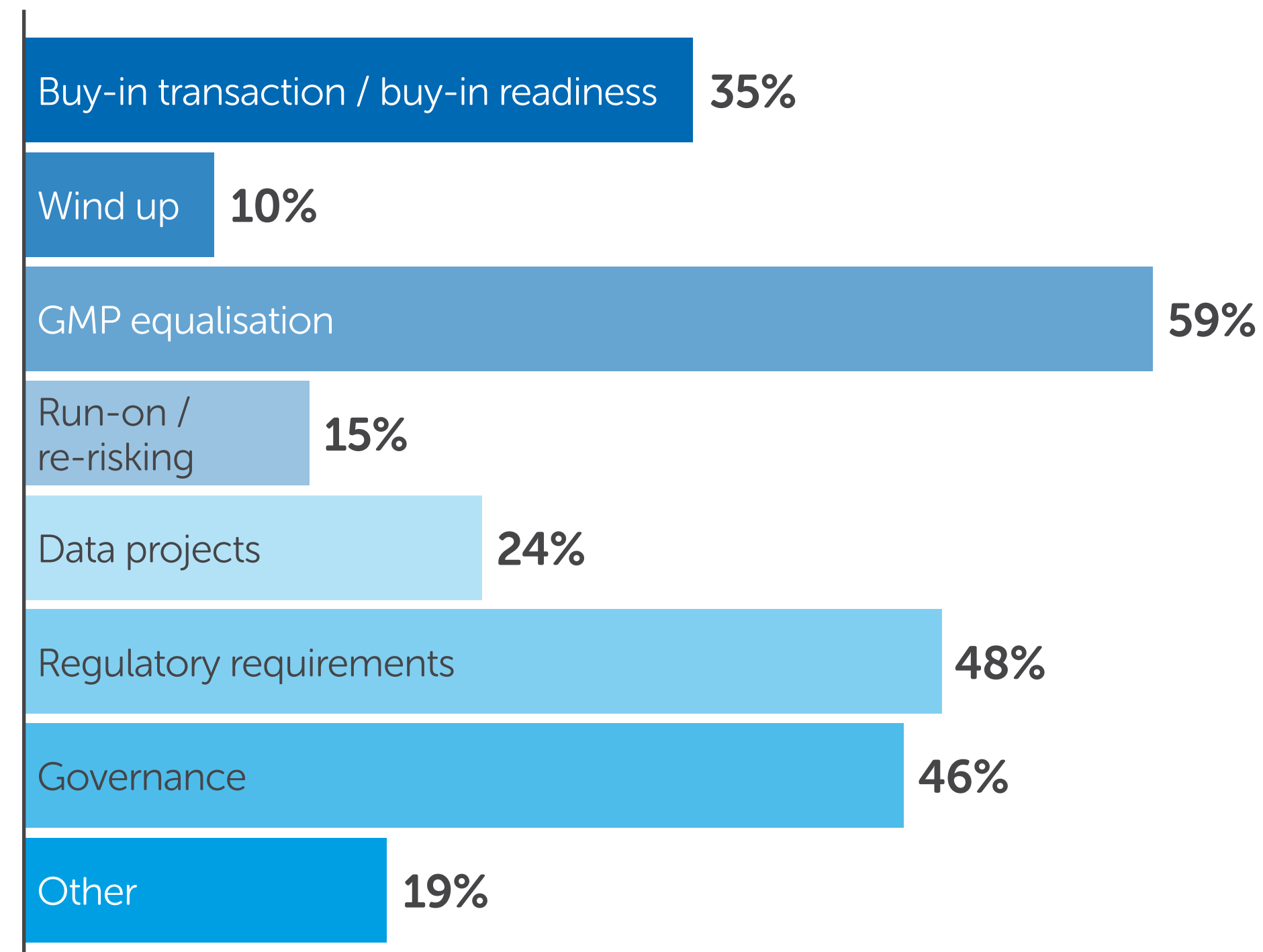
- **Trustee respondents** wanted simplified explanations of complex topics and an introduction of ideas.
- For **company respondents** the priority was speed towards endgame/journey planning and better value for money.

How could the service be improved?
“ Overall, highly satisfied ”



What is keeping schemes busy?

As schemes get busier and the regulatory requirements increase, some trustee boards are feeling overwhelmed. In our survey, the following topics were keeping schemes busiest, and this can be seen in the chart below.



We would like to thank all the individuals and companies for sharing and completing our survey to help us achieve meaningful results.

Please note that this survey refers to independent professional trustees as 'ITs' and is assumed to be a professional who has been appointed to a trustee board on a range of schemes including DB and defined contribution (DC). This includes ITs who are appointed as sole trustees, chair of a board, co-trustee alongside the existing trustees and sole traders who are not associated with any IT firm.



What it's really like to work alongside ITs

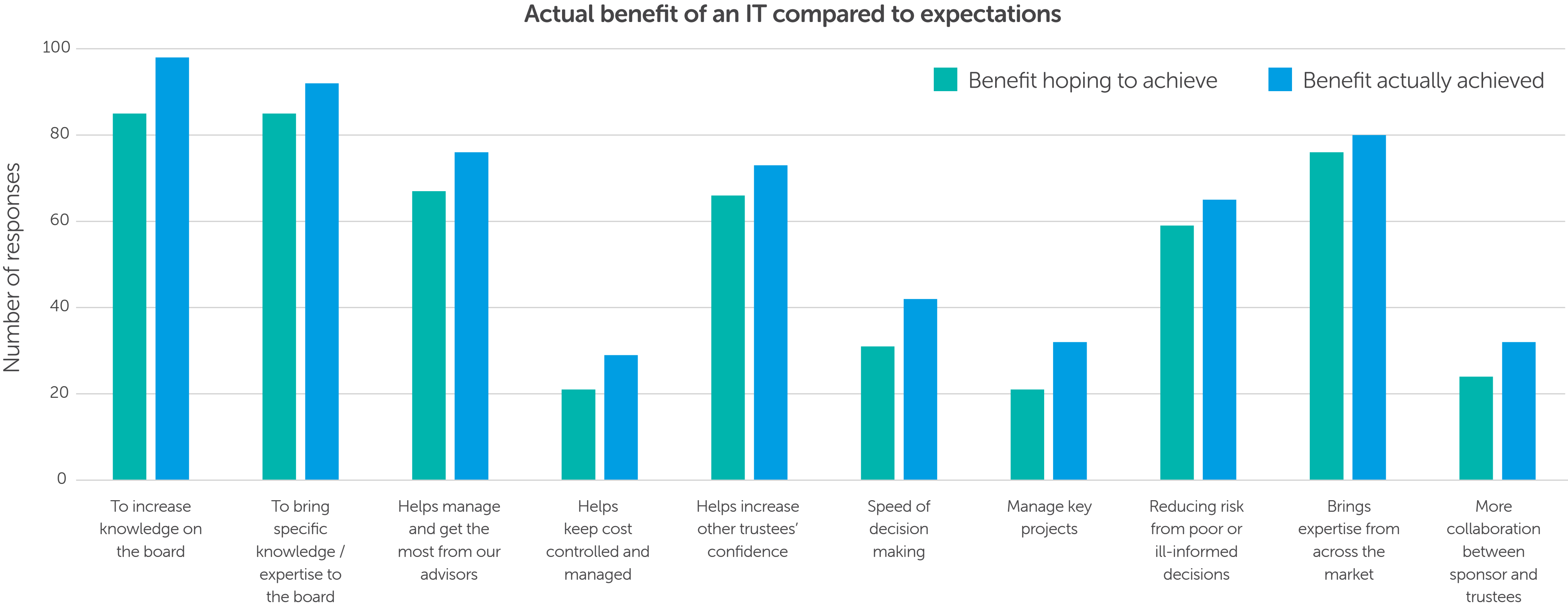


Unlocking success: ITs deliver exceptional value to schemes

66% of our respondents have appointed an IT. We asked if the value added by the IT being onboard was in line with what was expected or if those expectations had been exceeded.

In all our main categories shown below, the benefits delivered by ITs surpassed expectations, highlighting the excellent value a professional IT can provide to a board.

The chart below shows the value brought compared to what was expected.

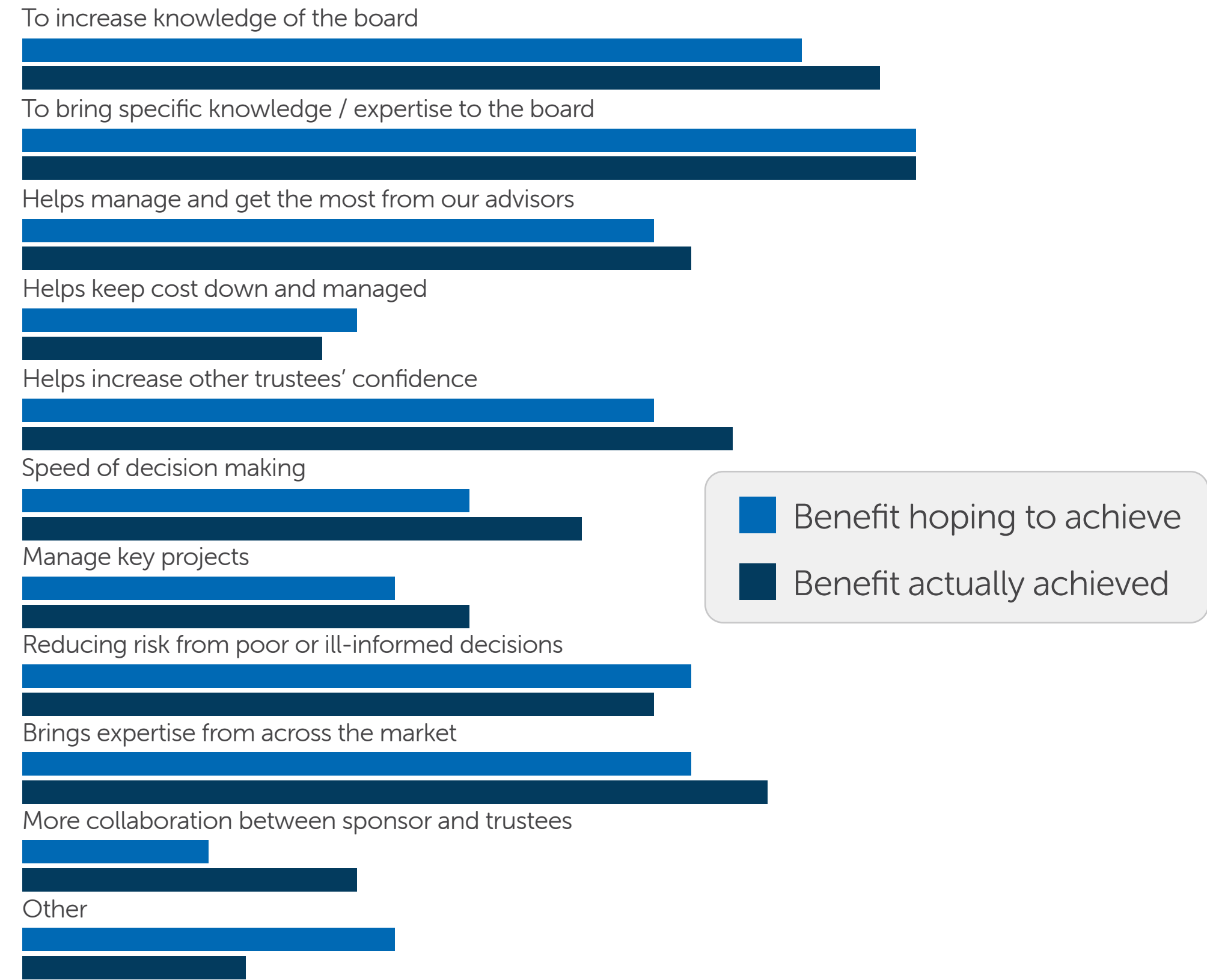




Their value varies depending on the type of respondent

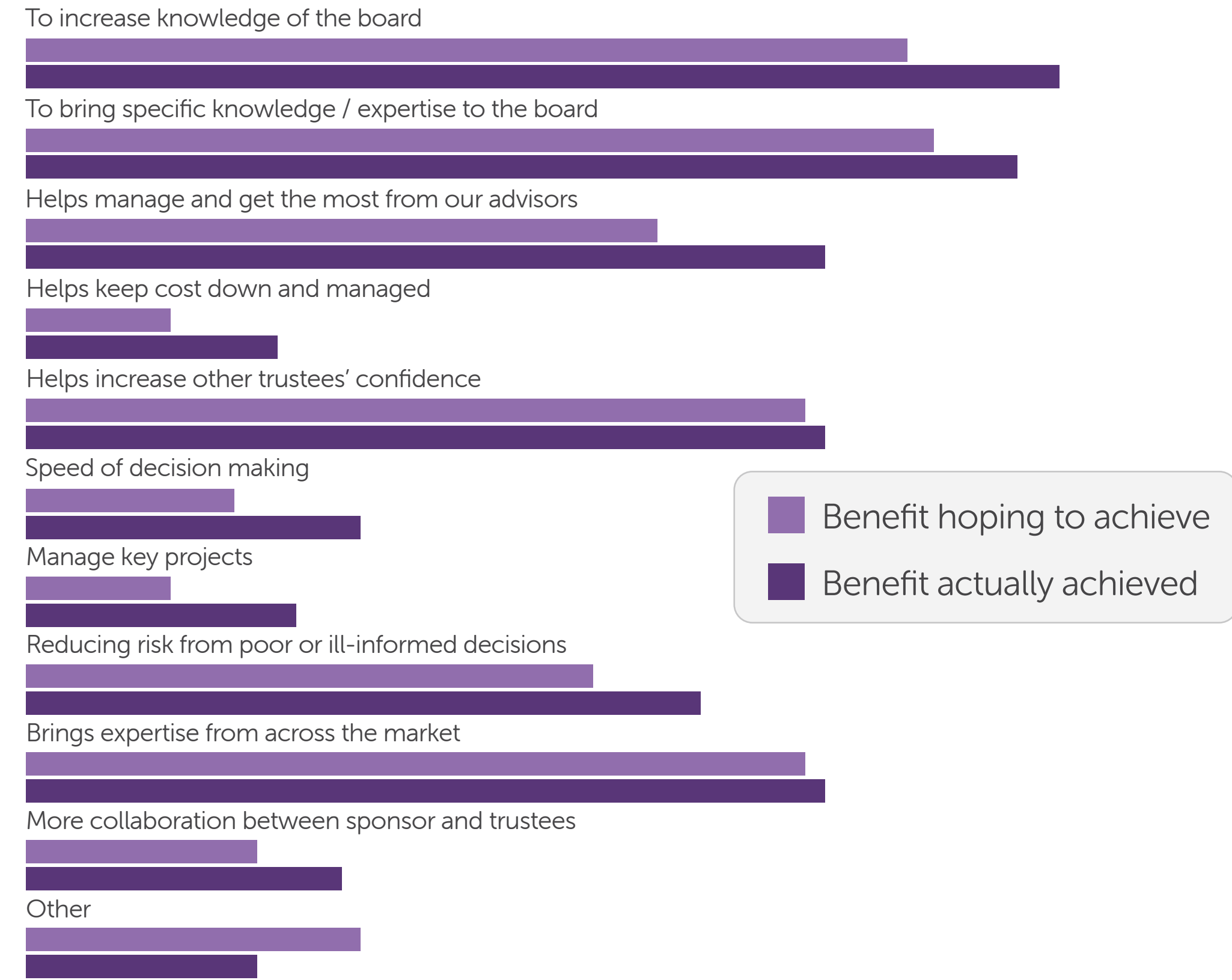
We looked at how an IT's value varied based on the type of respondent. The chart below shows the results from each type of respondent.

Company representatives



Breakdown of responses

Trustees



Breakdown of responses

Their perceived value varies depending on scheme size

Our detailed results below show there are differences in the type of value delivered to the scheme based on its size, reflecting the differing needs of larger schemes compared to smaller ones.

Value added to the board	S	M&L	VL
Helped manage and maximise value from our advisers	18%	-2%	8%
Increased knowledge of the board	15%	10%	8%
Managed key projects	13%	2%	8%
Speed of decision making	5%	15%	8%
Increased collaboration between sponsor and trustees	2%	12%	8%
Reduced risk from poor or ill-informed decisions	2%	5%	15%
Brought experience from across the market	0%	5%	15%
Brought specific knowledge and expertise to the board	5%	7%	8%
Helped manage and keep costs low	5%	7%	8%
Helped increase other trustees' confidence	2%	10%	8%

Key:

S = Small schemes = asset size of less than £100m

M&L = Medium and large schemes = asset size between £100m to £1 billion

VL = Very large schemes = asset size of greater than £1 billion

Note: highlighted numbers reflect the most important areas where value has been added by scheme size.

For the £1 billion + schemes, their ITs broadly achieved what was expected of them, with the unexpected benefits of bringing experience from across the market and helping to reduce risk from poor or ill-informed decisions.

For the smaller schemes, an additional benefit was helping to manage project work, but they mostly appreciated help managing and getting the most from advisers.

IT's role on the board: over half chaired subcommittees

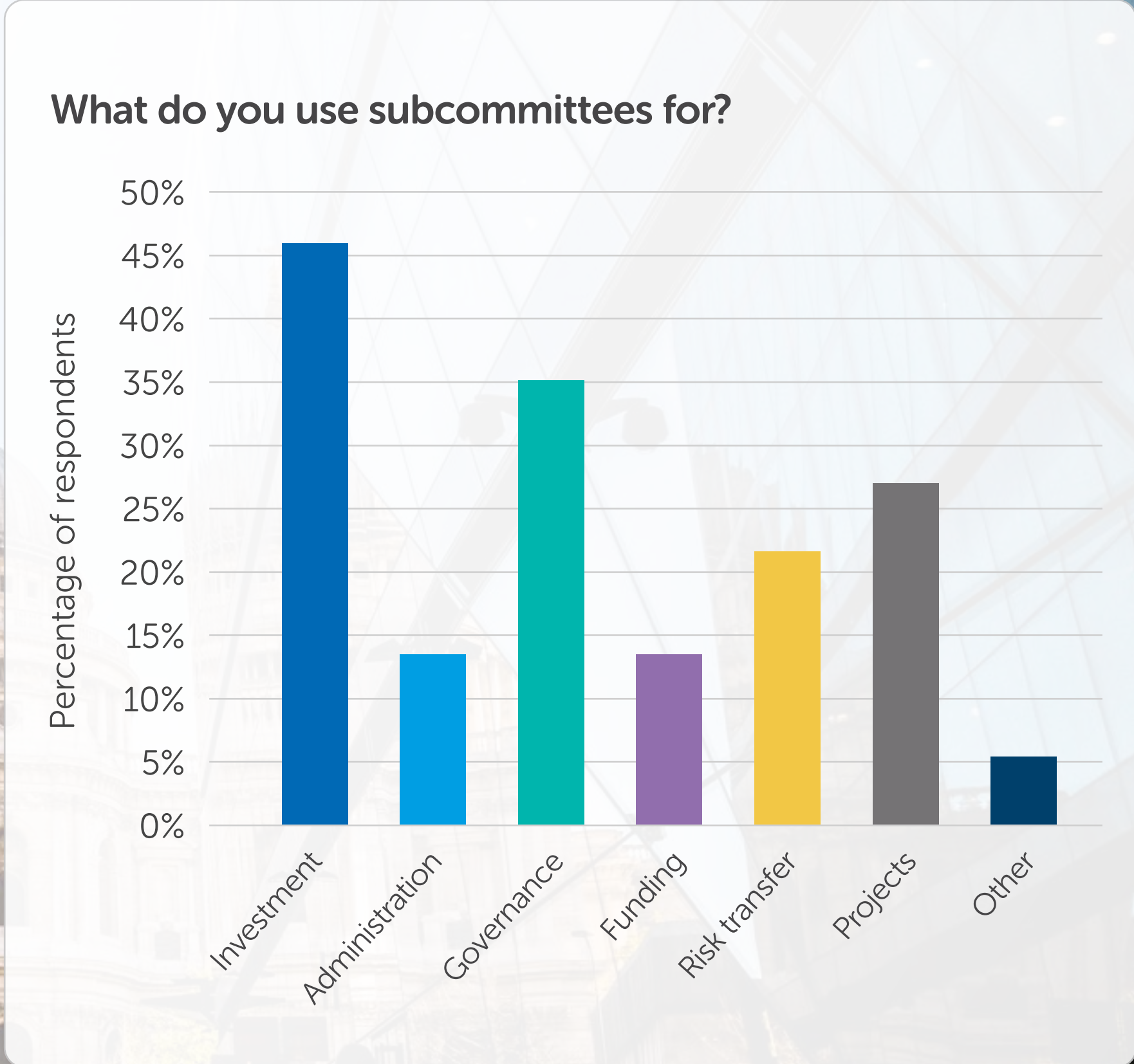


of respondents used subcommittees and



of our respondents had an IT to chair their subcommittees.

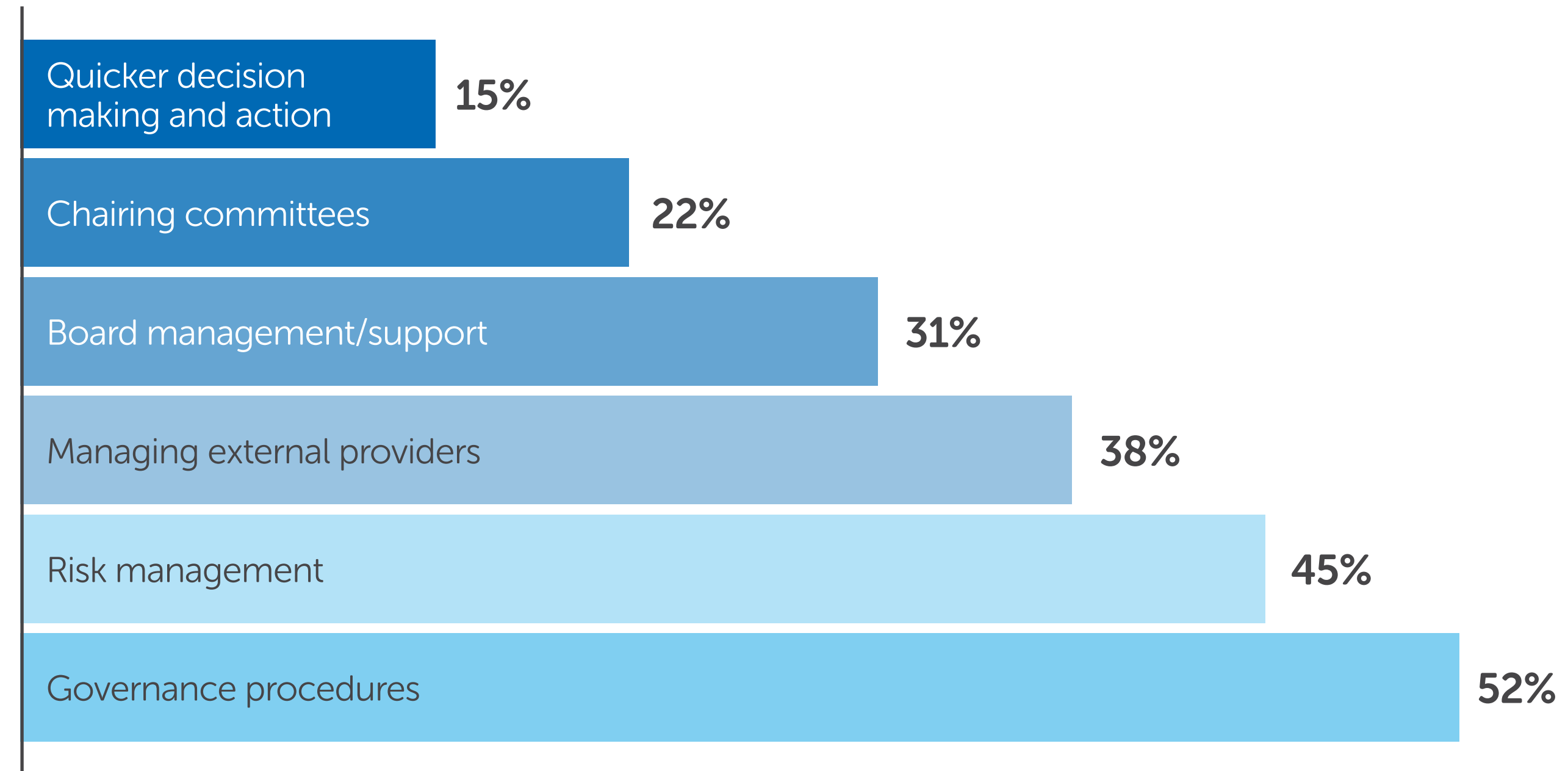
56% of the ITs were appointed to one or more subcommittees for various purposes with the most popular being helping with investment committees (46% of respondents), governance (35%) and project work (over 27%).





What other value can an IT bring to your wider business?

ITs have a range of skill sets which can be valuable to the wider business from a company's perspective. 52% of our respondents felt that ITs could help their sponsoring employer with managing governance procedures. In close second, 45% of respondents felt they could help with risk management.



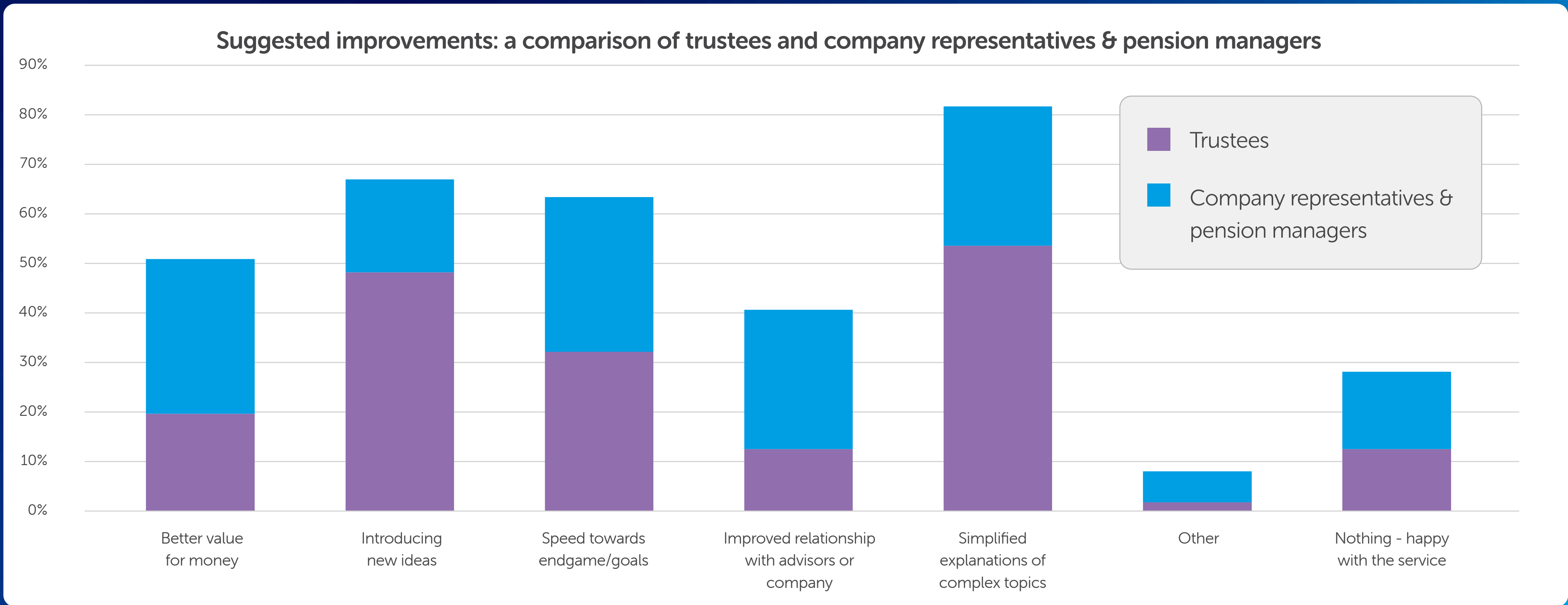


Suggestions for improvements for ITs

We explored areas where IT firms could enhance their high-quality service.

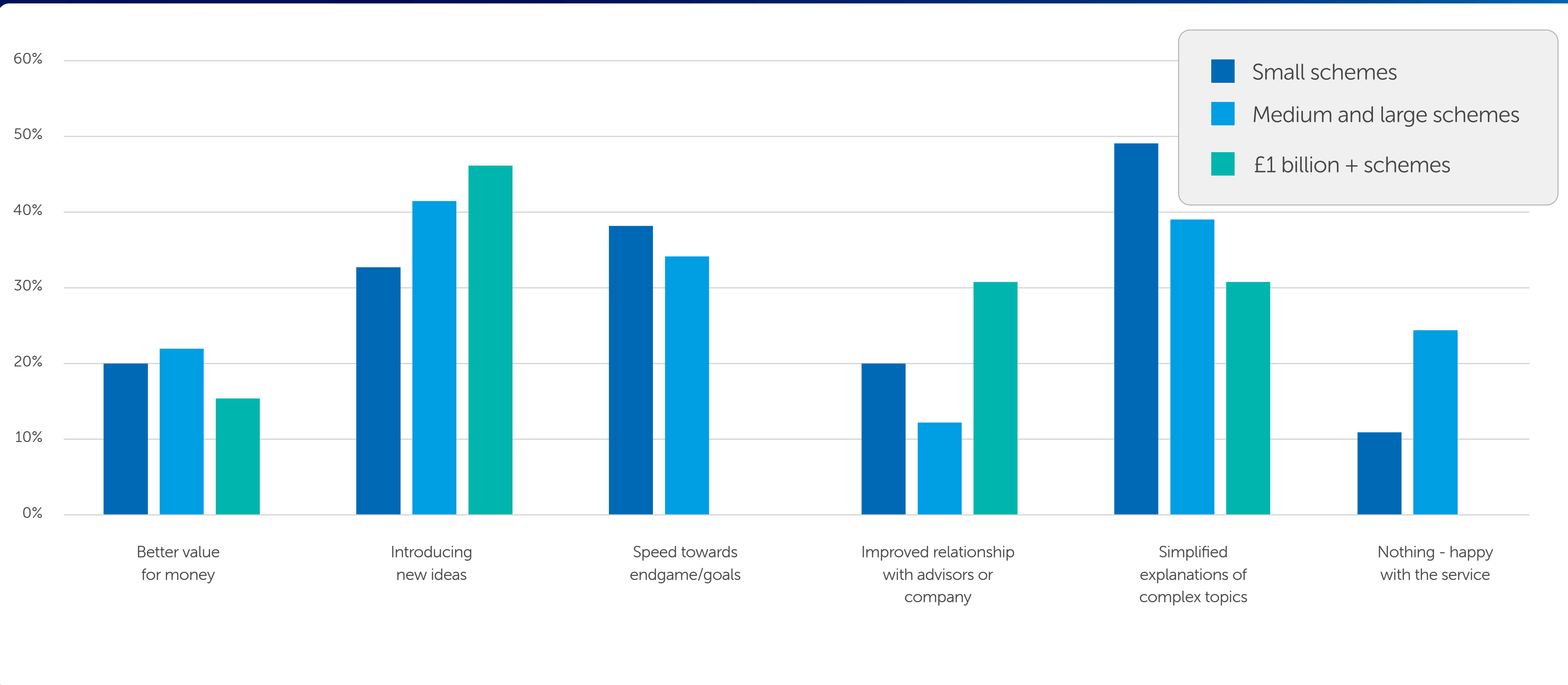
Trustee respondents wanted simplified explanations of complex topics and an introduction of new ideas, whereas company respondents' priority was speed towards endgame/journey planning and better value for money.

The co-trustees who responded to our survey said appointing an IT has helped provide better support and confidence in decision making, bringing experience and knowledge to the board.



Suggested improvements by scheme size

The most important thing for smaller schemes was explaining complex topics in a simplified way, and for medium to very large schemes the most important thing was new ideas.



Challenges encountered: work style clashes and time management

In the rare cases where challenges were experienced, these were mainly in relation to specific problems with an individual, such as concern that their IT was too busy to dedicate time to the board.

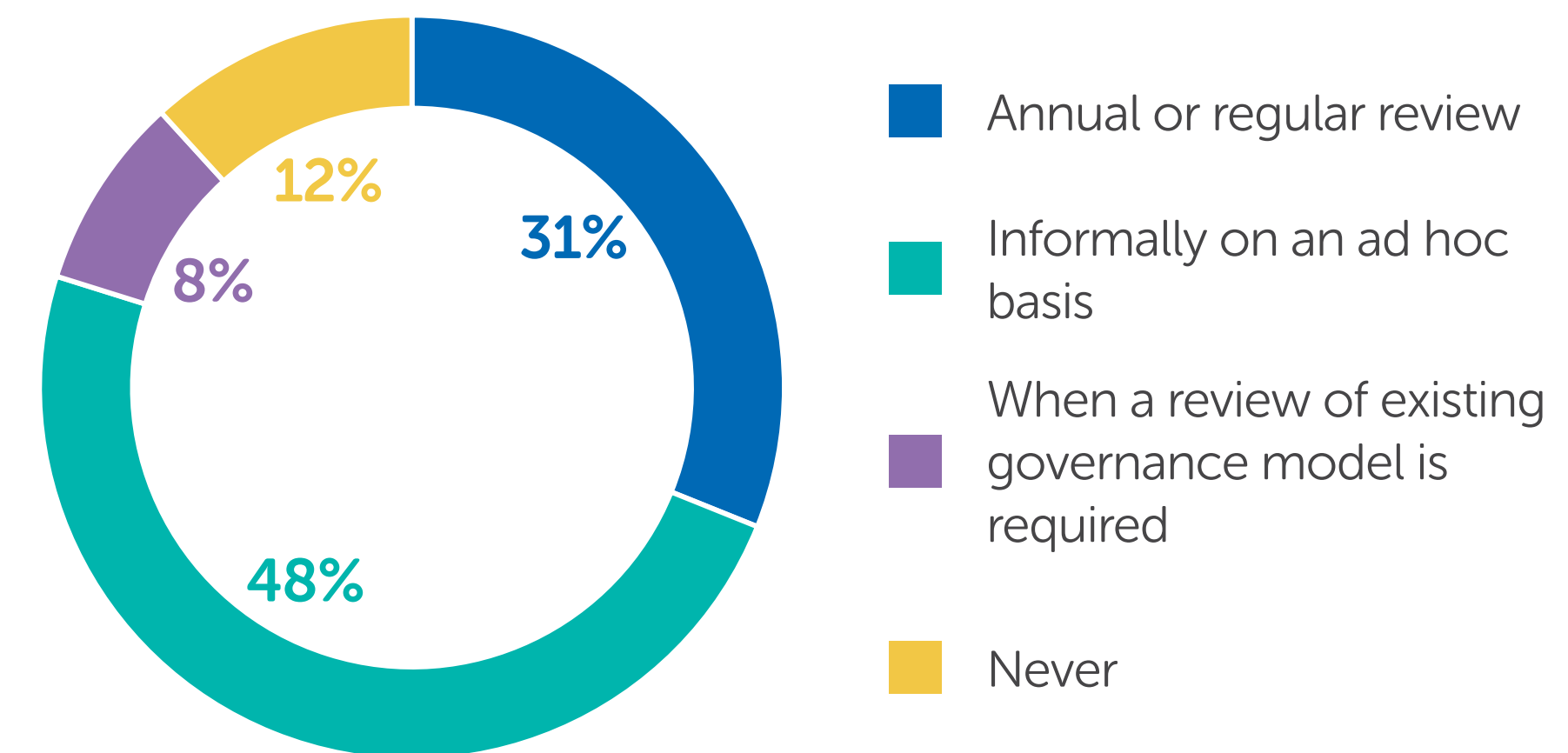
Some specific examples that came through from the survey included:

- “a cultural clash with company/employer”
- “not enough pressure applied to the scheme sponsors to get decisions made”
- “time management of meetings”
- “too risk averse”

We saw some differences in trustee respondents compared to company or pension manager respondents. Overall, trustee respondents were more satisfied with the performance of their IT. For company representatives, work style differences, fee queries and availability were the key issues.

88% conduct occasional IT performance reviews

When asked how often they conduct a performance review of their IT, 88% of respondents said they conduct an informal review at least on an ad hoc basis.

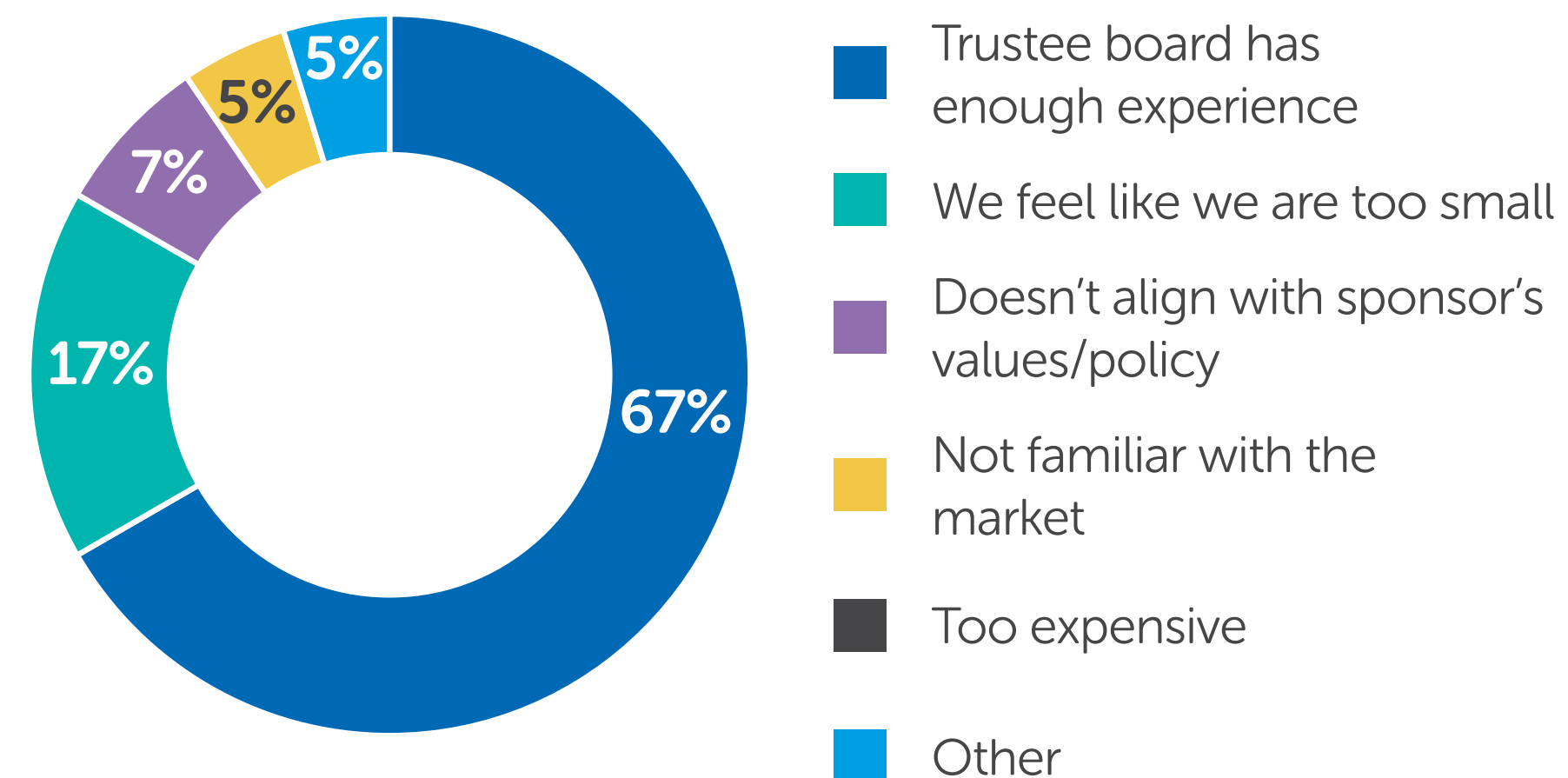


First impressions: the perceptions of those who haven't worked with an IT before

34% of our respondents don't have an IT on their board: reasons and insights

Of these 34%, **nearly 70% have never considered** appointing one before and some of the main reasons are set out in the chart below.

Why you haven't considered an IT before



Most of our respondents (67%) felt their trustee board had enough experience so didn't need to appoint an IT, and 17% felt their scheme was too small to be considered. None of the respondents felt that fees would be an issue for them. Other reasons why trustees hadn't appointed an IT included fellow trustees preferring to hire people they know, and another respondent felt that the support of their advisors was sufficient.

Most who considered an IT refrained due to company reluctance

On the other hand, **30% of those without an IT had considered** appointing an IT before.

For 57% of those respondents who had considered appointing an IT before, the main reason they didn't go ahead was because the company was reluctant. Other examples included:

- already having sufficient experience on the trustee board; and
- the current board taking on the challenge of an IT's role themselves after considering it as part of a move to buy-in.

Larger schemes more likely to appoint an IT

MYTH-BUSTER:

“is it only the larger schemes that have an IT?” ❌

Contrary to popular belief, nearly 60% of respondents working on schemes with less than £100m in assets reported having an IT. This percentage rises to approximately 75% for schemes with over £100m in assets and 76% for the very large schemes (£1 billion+).

For those that didn't have an IT on board, we found that the larger the scheme, the more likely it was that a scheme had considered appointing an IT before. Nearly 80% of the £1billion+ schemes had considered appointing an IT before, nearly 40% of medium and large schemes, and under 30% of smaller schemes.

Most respondents without an IT would consider appointing one

Among respondents who had not considered appointing an IT before, 50% claimed that a change of circumstances might lead them to do so. The reasons cited for this mainly related to a change in key individuals, with comments such as:

“If there was a loss of existing experience in the team”

“Probably if there was no other (member or company nominated trustee) option”

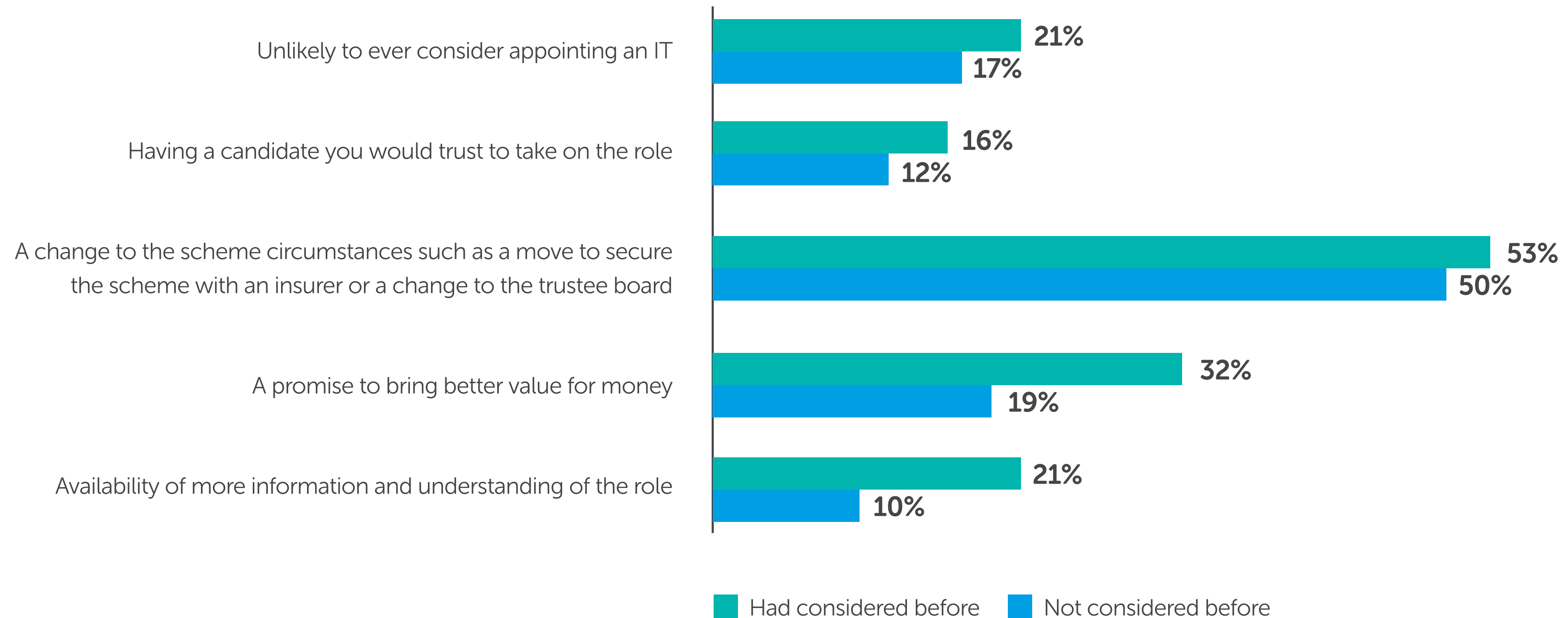
“For succession planning for key persons”





Nearly 20% of respondents would be looking for a promise of better value for money to the scheme, and only 17% said they would never consider appointing an IT.

79% of respondents indicated they may want to reconsider their decision to appoint an IT, with the following reasons being the main drivers:





How can we help

Our IT referral service will be invaluable in helping you make an informed decision on whether to select an IT and selecting the right candidates.

For more information on the results of this survey or if you are interested in appointing an IT, our experienced and specialist team can help.

Please get in touch with:



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