

About STAR

STAR is a new award scheme, to tackle the issue of the amount of time it takes to transfer savings, investments, and pensions from one company to another.

Criterion and TeX manage STAR, leveraging their expertise in standards, governance and reporting Management Information (MI).

Industry systems and processes are inconsistent, and transfer timeframes vary between providers. Service expectations are increasing due to the relative simplicity of switching in other markets, availability, and technological advancements.

Registration processes in the financial services industry can take between 2 and 450 days which the regulator, industry, consumers and government believe is unacceptable.

Transfers involve platforms, insurers, fund managers, re-registration and transfer intermediaries, custodians, third-party administrators and trustees. It also falls across multiple regulatory jurisdictions, with the FCA, Pensions Regulator and Department of Work and Pensions, all having an interest in different elements of the system.

What is STAR doing?

STAR has collaborated with the industry to:

- ★ Define the end-to-end processes required to complete a transfer
- ★ Specify good practice standards and timings for each process component
- ★ Measure, recognise and accredit performance across the industry

Accreditations

STAR awards bronze, silver and gold accreditations based on performance against the transfer standards set annually. Awards are issued for distinct product groups or processes. There are four groupings:

- ★ ISA/GIA
- ★ Personal Pensions, SIPP and SSAS
- ★ Occupational Pensions
- ★ Asset Managers/Transfer Agents

MI reporting explained

Participating STAR members are required to provide Management Information (MI) that forms the basis of their accreditation. This enables STAR to gather the information that helps the customer transfer journey time expectations to be set.

STAR collects MI that provides a view of a firm's current performance. This reporting focuses on those transfers that have been initiated "electronically". "Electronically" is defined as initiated using an electronic messaging set (not, for example, by email) at a portfolio level or asset manager transfer instruction.

Currently, organisations report Core MI which provides a view of a firm's current performance. However, the STAR Steering Group agreed that organisations must report Full MI from January 2025.

Core MI requirements

- ★ ISA and GIA
- ★ Personal Pension, SIPP and SSAS
- ★ Occupational Pensions

Full MI requirements

- ★ ISA and GIA
- ★ Personal Pension, SIPP and SSAS
- ★ Occupational Pensions
- ★ Asset Managers/Transfer Agents





What do the accreditations mean?

STAR accreditation is designed to measure, recognise and accredit transfer performance across the industry. There are three STAR accreditation levels, which are based on performance. Bronze, silver and gold are designed to reward good performance and encourage improved performance. The accreditation thresholds are set through industry collaboration by the STAR Accreditation Steering Group and monitored by the STAR Steering Group.

What is the difference between the accreditations bronze, silver and gold?

STAR accreditations are based on several factors. One area of good performance can't outweigh the poor performance in another. It is a balanced approach, and awards are thoroughly checked before they are given to an organisation. STAR accreditations are measured on a range of Key Performance Indicators, not only on the overall transfer time, as there are also many mitigating factors to consider when reviewing the overall performance of an organisation.

STAR concluded that the best way to judge an organisation fairly was to set up a point-based metric system, where an organisation is scored based on several key areas such as:

- ★ The average number of days to transfer a customer's assets
- ★ How they communicate with their customers on that journey
- ★ What percentage of their overall book is reported for this accreditation

How long does it take to become accredited?

Accreditations are awarded annually based on the previous year's data. STAR needs a minimum of nine months of MI per SLA to assess accreditation. This includes the analysis of data and the ratification by the Accreditation Steering Group.

All STAR participants should be applauded for their efforts and transparency. And, of course, special credit should go to the organisations that have reached bronze, silver or gold accreditations. All organisations that have participated in STAR are showing a willingness to improve their transfers. They recognise that as well as being preferential for the end consumer, it will also drive efficiencies and save money in the process. There are over 80 organisations that are part of STAR. 37 brands have received a STAR accreditation. We appreciate that different organisations have a different state of readiness, so will be able to start reporting MI at different times.

The products are:

- ★ ISA/GIA
- ★ Personal pensions, SIPP and SSAS
- ★ Occupational Pensions
- ★ Asset managers



Does the regulator support STAR?

The industry recognised that improvements could be made in terms of transfers.

“As a vehicle to standardise and demonstrate reasonable industry transfer times, we expect firms to engage with, (if not already) and continue to, support the principles and FCA Public actions endorsed by STAR initiative. Where firms are reporting poor transfer times in comparison with peers and do not already engage with STAR, we will be enquiring about their justification for non-engagement and will act in the absence of progress on transfer times.

The Financial Conduct Authority, September 2023

The STAR initiative was introduced as an alternative to regulation or legislation, to enable the industry to voluntarily get its house in order. The FCA, Department for Work and Pensions and The Pensions Regulator remain supportive and fully behind the aims of STAR.

How does STAR fit into the FCA's new Consumer Duty rules?

Good consumer outcomes include firms being required to act in good faith and avoid causing foreseeable harm - the STAR initiative fits with these new rules. Namely, firms provide consumers the support they need throughout the lifecycle of their products and services, and a key area of focus for this is timely investment transfers

“It is clear that service improvements will require greater collaboration between firms and we recognise the importance STAR has to play in facilitating that and the challenges you have faced in increasing STAR membership. To address these concerns, we are currently devising a communication programme to make explicit our expectations in relation to transfer times; and to underline that all firms involved in the transfer process should ensure transfer times are consistently prompt under the Consumer Duty.

The Financial Conduct Authority, September 2023

2024 Accreditations

ISA/GIA

Gold Accreditations

- ☆ Abrdn
- ☆ Aegon UK
- ☆ Elevate Portfolio Services
- ☆ Janus Henderson Investors
- ☆ Liontrust Fund Partners
- ☆ M&G Securities
- ☆ Prudential
- ☆ Quilter Investment Platform
- ☆ Rathbone Asset Management Ltd
- ☆ Wealthtime

Silver Accreditations

- ☆ Fidelity International
- ☆ Hargreaves Lansdown
- ☆ Nutmeg Saving & Investment
- ☆ Parmenion Capital Partners
- ☆ Standard Life Savings Wrap & Fundzone
- ☆ Wealthtime Select

Bronze Accreditations

- ☆ Aviva Life Services
- ☆ Equiniti Financial Services

Personal Pensions SIPP & SSAS

Gold Accreditations

- ☆ Fidelity International (Pensions)
- ☆ Hargreaves Lansdown
- ☆ Nucleus Financial Services
- ☆ Seven Investment Management

Silver Accreditations

- ☆ Aegon UK
- ☆ Aviva Life Services UK
- ☆ James Hay Administration
- ☆ Parmenion Capital Partners
- ☆ Phoenix Life
- ☆ Prudential
- ☆ Quilter Life & Pensions
- ☆ ReAssure
- ☆ Standard Life
- ☆ Wealthtime
- ☆ Wealthtime Select

Bronze Accreditations

- ☆ Vanguard
- ☆ Zurich Assurance

Occupational Pensions

Gold Accreditations

- ☆ Prudential
- ☆ Standard Life

Silver Accreditations

- ☆ Legal & General
- ☆ Phoenix Life

Bronze Accreditations

- ☆ Aegon UK
- ☆ Nest Corporation



Asset Managers

Gold Accreditations

- ☆ Abrdn
- ☆ Baillie Gifford
- ☆ Janus Henderson Investors
- ☆ J O Hambro Capital Management
- ☆ Jupiter
- ☆ M&G Securities Limited
- ☆ Ninety One
- ☆ Royal London
- ☆ Schroders Personal Wealth
- ☆ T. Rowe Price
- ☆ Vanguard



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