



Pension Connection

Autumn 2025 newsletter

Chair's welcome

Welcome to your 2025 Pension Connection, the newsletter for deferred and pensioner members of the Provident Financial Staff Pension Scheme (the Scheme).

In this autumn edition, we introduce to you our new Member-Nominated Trustee, Chris Wheeler and share with you some other recent changes in Trustee roles. They are all keen to be part of helping to run the Scheme in the best interests of all members.

We also bring you the latest news in pensions as well as a brief financial update to keep you informed about recent Scheme developments.

I hope you enjoy reading your newsletter. We're always keen to hear feedback on the communications that you receive about your pension and the Scheme, so please get in touch using the contact details on the back page.

Ken Mullen
Chair of Trustees

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Introducing your new Member-Nominated Trustee (MNT)

We're pleased to welcome Chris Wheeler to the Trustee Board.

Chris has an impressive career history, having worked up to Director level at Provident Financial and later serving as Country Manager in several countries with International Personal Finance (IPF Group), a spin-off company established by Provident. With extensive experience in risk management, business finances, and accounting, Chris is well-suited to the role of MNT in representing the interests of fellow Scheme members.

Over a combined total of 30 years with PFG and IPF, Chris has developed a deep understanding of the industry and is looking forward to further broadening his pensions knowledge and promoting effective communication between the Scheme administrators, advisers, and its members.



Chris considers his key responsibility to be representing the views and opinions of the members.

Outside of his professional commitments, Chris resides in sunny Cornwall, where he enjoys the great outdoors. Travel is a significant part of his life, as is his passion for motorcycling. Indoors, Chris enjoys cooking, although he's mentioned that his creations might not be Masterchef standard.

We're excited to have Chris on board and look forward to the valuable contributions he will make to the Trustee Board and the Scheme.



Get to know your Trustees

Read about your Trustees and put some more names to faces at pfpensions.co.uk/the_scheme/meet_your_trustees

Pensions in the news

Know your pension

You may not be aware that not all pension schemes are the same. In the UK, there are two main types of pension schemes — Defined Contribution (DC) and Defined Benefit (DB).

Knowing that the Scheme is a DB scheme may help you understand your benefits better and the options available to you.

DB pensions are also known as Final Salary pensions and give you a guaranteed income for life. The amount you get is based on your salary and length of service — not what you and the Company paid into the Scheme. After leaving the Scheme, the benefit you have accrued increases each year, so it never goes down.

DC schemes, also known as Money Purchase schemes e.g. personal pensions, are the most common type of pension these days.

With a DC scheme, the amount of money you have available to retire with is decided by various factors:

- How much you pay in
- How much your employer pays in
- How much tax relief you get
- Your investment returns
- The cost of investments

Unlike a DB scheme, the value of your pension savings in a DC scheme can go down as well as up.

DB pension schemes have been considered the most attractive and valuable type of pension plan. This is mainly because they offer a guaranteed income.



To understand how Cash Balance works, visit
pfpensions.co.uk/your_pension/how_it_works

Here's a quick comparison of the two types of schemes...

DB

Retirement income **is** guaranteed for life.

The **Company** is responsible for managing and investing the contributions.

The retirement income amount is **predetermined and known**.

Inflation protection and survivor benefits **are typically included**.

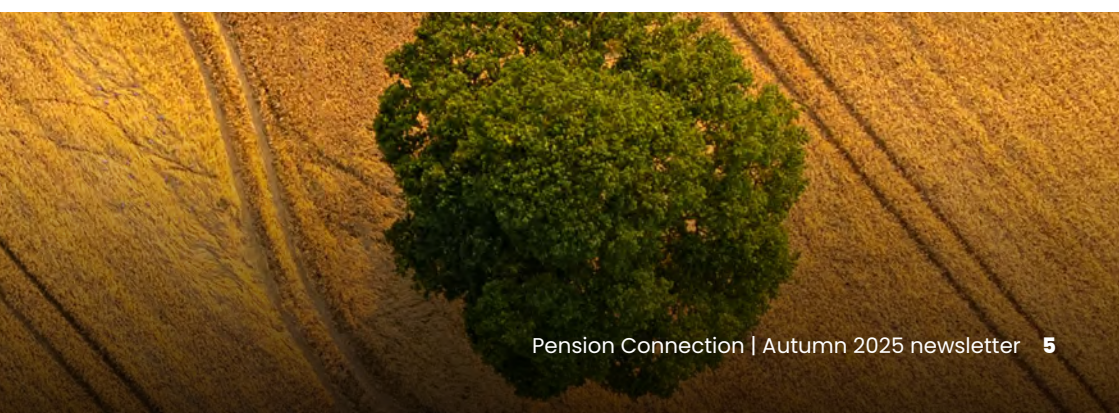
DC

Retirement income **is not** guaranteed for life.

The **employee** is responsible for deciding on contributions and how to invest them.

The amount of retirement income is **uncertain and varies**.

Inflation protection and survivor benefits **can be included**.



Pensions in the news (continued)

Staying cyber safe

Cyber fraud in the UK is on the rise, with increasingly sophisticated techniques threatening finances, including pensions. Here's how to protect yourself from online scammers:



Be cautious of cold calls and phishing emails

By law, legitimate financial advisers and pension providers are not allowed to cold call you about your pension.



Use strong passwords and keep them confidential

Passwords should include letters, numbers, and special characters. Use random words for easier recall and avoid reusing them.



Turn on 2-Step Verification (2SV)

Many online accounts now require 2SV, using a trusted device such as your phone. UK banks often use this for online purchases, sending a code to your device or requiring a specific password to authorise payments.



Think twice before clicking a link

You could give access to your device by downloading software or an app from a source you don't trust.



Ensure your devices and browsers are kept up to date

As cyber scammers are always changing and developing, you need to ensure you have the latest software to guard against them.



Check the Financial Conduct Authority (FCA) register

The FCA maintains a register of legitimate, regulated financial services firms and individuals in the UK, which you can find at register.fca.org.uk



Report a scam

If you suspect you've been targeted by a pension scam, report it to Action Fraud at actionfraud.police.uk



Get professional advice

Before you make a big decision about your pension, you might want to get independent financial advice. Visit moneyhelper.org.uk and select 'Pensions and retirement' to find support.

An update on Pensions Dashboards

UK workers have lost track of an estimated 1.6 million workplace pension pots worth a total of £19.4 billion, prompting the Government to launch the Pensions Dashboards Programme. This initiative aims to help individuals better manage and understand their pension savings by providing online tools that consolidate all pension information, including the State Pension, in one place. These Dashboards could offer a clear and consistent view of the total value of combined benefits, simplifying retirement planning and helping individuals estimate their potential retirement income.

All pension schemes are in the process of connecting to the Dashboards and will be available to members in 2026.

The minimum retirement age is changing

From 6 April 2028, the minimum age that you can access your pension is changing from 55 to 57. This is known as the normal minimum pension age, or NMPA, and is set by the Government.

This means that from 6 April 2028, you'll need to be age 57 or over to start taking your Scheme benefits.

Unless you suffer from serious ill health you won't be able to access any of your pension before then. You don't have to access your pension at the normal minimum pension age though – you can leave it where it is until you need it.

The financials

This shows an overview of the Scheme’s financial and membership figures as at 31 May 2024.

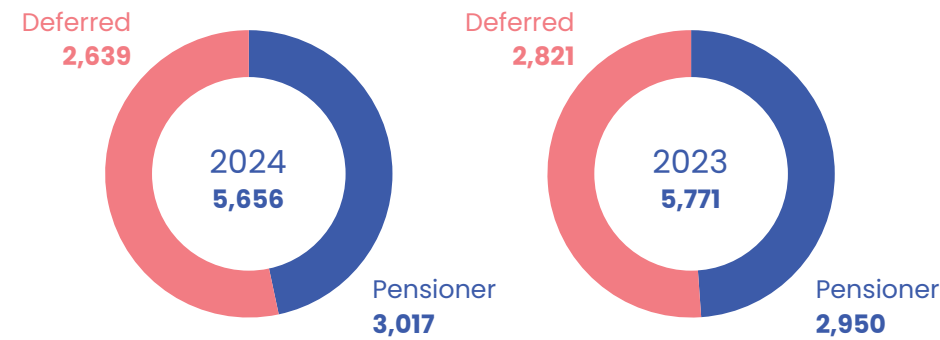
Scheme financials

	31 May 2024 £000s	31 May 2023 £000s
Value at the beginning of the year	£492,153	£706,176
Net withdrawals	(£28,086)	(£27,727)
Returns on investments	£21,463	(£186,296)
Value at the end of the year	£485,530	£492,153
Net decrease in value	(£6,623)	(£214,023)

Note: Bracketed figures indicate minus figures.

Scheme membership

Here’s an overview of the Scheme’s membership figures as at 31 May 2023.



To read a full copy of the 2024 Report and Accounts document, please visit the Scheme website at pfpensions.co.uk/resources/documents_and_forms

The Scheme’s financial health

This Summary Funding Statement gives you important information about the funding position of the Scheme.

We last wrote to you about the Scheme’s funding position around a year ago when we provided details of the Scheme Actuary’s approximate assessment of the funding level of the Scheme at 1 June 2023. This estimate showed that the Scheme had a funding deficit of £27.6 million.

The Trustees work with Vanquis Banking Group plc (the Company) to ensure the Scheme has the funds it needs to pay members’ benefits, and the Scheme Actuary (a professional funding expert) carries out regular checks on the funding position of the Scheme. A full valuation is carried out every three years, with interim assessments made in the years in between. The latest full valuation, as at 1 June 2024, was completed earlier this year, and included a review of all funding assumptions, such as expectations for inflation, investment returns and life expectancy.

The health of the Scheme

In the table below, the most recent full valuation of the Scheme on 1 June 2024 is shown alongside the position reported in the last statement, at 1 June 2023:

	Amounts at 1 June 2024*	Amounts at 1 June 2023*
The value of the Scheme’s defined benefit liabilities (technical provisions) was:	£487.2 million	£510.9 million
The value of the Scheme’s defined benefit assets was:	£477.6 million	£483.3 million
The value of assets less the value of liabilities was:	(£9.6 million)	(£27.6 million)

**In addition to the figures shown above, the Scheme also held £7.0 million/£8.0 million of assets in respect of insured pensions and £1.0 million/£0.9 million of additional voluntary contributions at 1 June 2024/2023 respectively.*

The financials (continued)

The previous update we provided showed a deficit at 1 June 2023 of £27.6 million. By 1 June 2024 the deficit had reduced to £9.6 million.

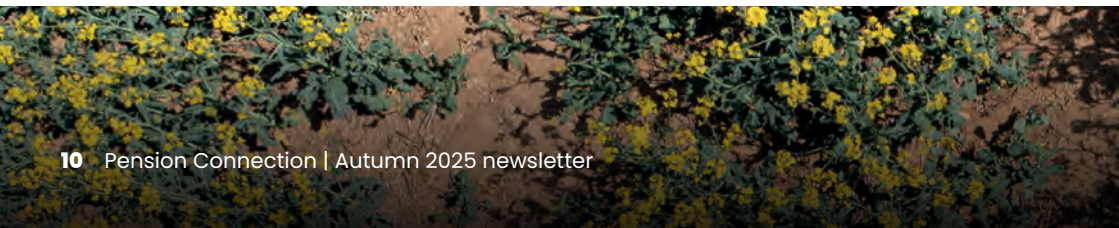
The improvement in position over the year was primarily due to the reduction in the liabilities arising from higher interest rates. While asset values also fell, this was by a smaller magnitude. There were also changes to the mortality assumptions agreed as part of the valuation to reflect lower life expectancies following the COVID-19 pandemic, reducing liabilities further.

As there were insufficient assets to cover the Scheme's technical provisions at the valuation date, the Trustees and the Company have agreed a recovery plan. This specifies how, and by when, the statutory funding objective is expected to be met.

The deficit at the valuation date is expected to be removed by 1 June 2030 via investment returns alone, so no further deficit contributions are due from the Company.

The Trustees and Company agreed that the Company will continue to pay £70,000 per month in respect of the expenses of operating the Scheme. In addition, the Company will contribute an annual amount equal to the total of all statutory levies, including the Pension Protection Fund (PPF) levy.

No further pension is being built up in the Scheme following closure to accrual on 31 August 2021.



Please note that we must include the following information because we're required to do so by law. We do not currently intend to wind up the Scheme.

What if the Scheme were to be wound up?

It's the intention of both the Trustees and the Company that the Scheme continues until it becomes affordable and appropriate to consider next steps to secure your benefits, with pensions being paid in full to you as and when you retire. However, legislation requires that we tell you about what would happen if the Scheme were to wind up. In the event of the Scheme winding up, pensions would be secured by buying insurance policies from an insurance company.

At 1 June 2024, it was estimated that the cost of doing this would be approximately £548.3 million, which is around £71 million more than the value of the assets held at that time.

These high costs reflect the fact that insurers take a very cautious view of the future, and they need to ensure they will cover their costs and, usually, will look to make a profit.

If the Scheme were to wind up and the Company could not afford to meet the extra cost of securing benefits with an insurer, the PPF might be able to take on the Scheme and pay compensation to members, although pensions would be cut back. Further information is available on the PPF's website at ppf.co.uk. Alternatively, you can email them at information@ppf.co.uk

Scheme modifications

We're also required by law to confirm to you that the Scheme hasn't been modified by The Pensions Regulator (TPR) and no directions nor a schedule of contributions have been imposed on the Scheme by TPR. We can confirm this.

Payments to the Company

We also need to confirm that there haven't been any payments to the Company out of Scheme funds since the last funding statement was issued.

Where to get help

We all need a helping hand from time to time and the Pensions Team aims to assist by answering your questions and providing further information about the Scheme.

Our new address from
Wednesday 1 October 2025 is:



Provident Financial
Staff Pension Scheme
Fairburn House
5 Godwin Street
Bradford
BD1 2AH



01274 351 351 — don't forget
that when the call is answered,
the person will let you know
you're through to 'Vanquis
Banking Group'.



pensionenquiries@vanquis.com

Where to go for guidance

Looking for support with money or debt? Want help or guidance when it comes to retirement and the benefits you'll receive? You can get free, confidential and impartial help from these providers:

MoneyHelper

moneyhelper.org.uk

Guidance on all things money, including debt, housing, and your pension.

Pension Tracing Service

gov.uk/find-pension-contact-details

Track down any 'lost' pensions you might have with previous employers.

State Pension

gov.uk/state-pension

Check how much State Pension you might be entitled to and when you can start receiving it.

Financial Conduct Authority (FCA)

fca.org.uk

Find out more about pension scams, including how to avoid them and which firms are regulated.