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PRESS RELEASE

ACA recommends dry run for VfM framework 'in private' ahead of implementation

9 March 2026 - The Association of Consulting Actuaries (ACA) has submitted its response to the latest FCA Value for Money (VfM) consultation and comments that the new VFM framework will shape the DC pensions world at a critical juncture. Getting it right, and avoiding unintended and damaging consequences, could improve retirement for millions of savers

In a survey of ACA's members in January 2026, in response to the question "Do you believe that the new VfM framework will lead to better financial outcomes for DC members?", some 24% of respondents said no. More encouragingly 41% said yes, albeit not for 5-10 years, with only 11% answering "yes, soon after launch". This highlights the challenge in setting a framework that genuinely tests aspects of value that matter for member outcomes.

Key points in ACA response

ACA responses to the consultation questions are set out in the attached response.

ACA Chair, Stewart Hastie commented:

"We also wish to highlight the following points. We believe it would be in the interests of all stakeholders to test the framework through a "dry run" in private rather than public data, akin to a thematic review, in order to assist the FCA, TPR and the Government in testing the metrics, and to inform a cost / benefit analysis ahead of the full implementation. This would also allow teething problems to be ironed out and any surprising results to be considered in order to refine the metrics, if necessary.

"And decumulation arrangements must be brought into the framework as soon as is practicable."

Tess Page, ACA DC Committee Chair added:

"The amount of work involved in collating data, calculating metrics, and discussing the results for governance bodies and their advisers should not be underestimated. As an annual exercise, it will take up a substantial part of a scheme year. We would encourage consideration of the breadth and frequency of the regime and whether all metrics / assessments are needed every year.

"We welcome the new framework of a four-tier rating system rather than the blunt red / amber / green approach of the initial proposals. This will give clearer

distinctions between top performers and those requiring intervention, without risking a cliff edge situation. There is some nuance here in how the ratings will be defined, decided, and used, with a number of risks that will need to be carefully managed.

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About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA is celebrating its 75th Anniversary this year.

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