

Press Information

Independent Trustee Services Ltd Sees increase in Sole Trustee Appointments due to Time, Cost and Complexity

Independent Trustee Services Ltd (ITS) is seeing an increasing trend for appointments as sole trustee,

Nita Tinn, Director, ITS said "We believe the move to sole trusteeship is an inevitable consequence of the move away from defined benefit schemes. Employers no longer want key staff spending large amounts of time working on closed schemes, nor do they want the cost of running a full trustee board where active membership is small. On top of that, the potential issues with conflicts of interest makes the appointment of a sole professional trustee an attractive option for many."

Typically, sole trusteeship appointments have been to small, closed schemes, often with an overseas parent, where it makes sense to have a single, professional point of contact able to manage the scheme to eventual wind up or self sufficiency. However a growing number of mid-sized schemes are moving to this model where the difficulty in finding engaged members willing to stand as member nominated trustees can accelerate the process, even where some members are still accruing benefit. ITS's sole trustee appointments range from the very smallest schemes up to those with asset sizes of £150m or more, and cover around one fifth of its ongoing portfolio.

When appointing a sole trustee, sponsors need to look at the corporate structure, financial strength and peer review process of the trustee company. "The exception to the requirement to have member nominated trustees is restricted to sole corporate trustees, independent from the company and the membership, for a reason" says Tinn. "Obviously the requirement for a corporate body carries with it the need for good corporate governance including a robust decision making process and reliable audit trail".

Tinn concludes, "There is a sea change in employer attitude once the scheme is no longer a major part of their current benefits strategy. Employers are also recognising the increasing complexity of the pensions world, and have identified de-risking and the path to wind up as special situations where a sole independent trustee will have the specific expertise to formulate practical solutions and the ability to act quickly".

For further information contact:

Nita Tinn	020 7173 2727	nita_tinn@itslimited.org.uk
Isabella Young	020 7558 3387	isabella_young@jltgroup.com

About Independent Trustee Services Limited

Independent Trustee Services Ltd (ITS) was established in February 1991 and provides professional trustee services to ongoing pension schemes as well as working with the Pensions Regulator, Pension Protection Fund and insolvency and Turnaround professions. The high quality of its service is derived from the experience of its management team and staff. Board members of ITS each have significant experience in the pensions industry and are recognised by their peers as specialising in their field.

Independent Trustee of the Year - Professional Pensions UK Pension Awards 2009, 2010 and 2011

Independent Trustee of the Year - Financial Times Business Pensions & Investment Provider Awards 2008 and 2009

For more information, please visit the ITS website: www.itslimited.co.uk