



PRESS RELEASE

2 October 2024

K3 complete first external market transaction with Royal London for The Retreat York Pension Scheme

K3 Advisory, the pension market's only specialist independent bulk annuity and consolidator advisory business, and market leading end-game advisory business to the fiduciary management market, today announced the successful completion of a £30 million full scheme buy-in for The Retreat York Pension Scheme, a not-for-profit organisation. The transaction, which completed in July 2024, was a market first for Royal London, a new entrant to the bulk annuity market. It secured the benefits of 202 pensioners and 108 deferred members. Vidett Trustees operated as sole independent trustee, represented by Duncan Willsher.

Adam Davis, Managing Director at K3 Advisory, commented: "We are exceptionally proud to have worked with Royal London to transact their first external deal in the bulk annuity market. As is the case with many deals of this size, the smooth and successful transaction came down to preparation and the ability to move quickly. Affordability was an issue for the Scheme and working with Royal London we were able to confidently secure attractive pricing after a short period of monitoring to enable a transaction at a level affordable to the Scheme. We work hard to ensure that any transaction we undertake meets the schemes specific objectives and remains totally aligned with their unique needs."

Duncan Willsher, Client Director at Vidett, commented: "We are delighted to have done this deal. The bulk annuity market is very busy as more and more schemes look to remove risk from the company balance sheets and secure member benefits. Although becoming increasingly popular thanks to improvements in funding, it doesn't mean it's easy for schemes, particularly small ones. The process can be complex if you aren't working with the right people. Working closely with the sponsor, our advisors and Royal London, we were able to be decisive when inevitable challenges arose and ready to act swiftly."

“This is a great demonstration that selecting the right teams and partners is the foundation of a scheme’s potential for success. In this case, all parties were able to achieve that success by working collaboratively and efficiently together to support the scheme to meet its buy-in objectives.”

Baljit Khatra, BPA Origination Lead at Royal London: “It was a pleasure to work with K3 and Vidett to complete our first external bulk annuity transaction, with all parties working together with real purpose to deliver a fantastic outcome for the pension scheme members.

“As the only mutual operating in the bulk annuity market, we offer trustees a genuine alternative, and we’re delighted to welcome the members of The Retreat York Pension Scheme to Royal London as we support them in the future.”

The trustees were also advised by First Actuarial and Wrigleys Solicitors. The Retreat York was advised by Spence & Partners.

- ENDS -

Notes to editors

About K3 Advisory

K3 Advisory is the pension market's only specialist independent bulk annuity and consolidator advisory business. Using first-hand experience from both the insurance and pensions sectors, K3 Advisory provides trustees and scheme sponsors with advice and brokering services to secure a smooth and effective transfer of liabilities to an insurer or consolidation vehicle.

The business was founded in 2018 with the aim of improving the efficiency of the bulk annuity and consolidation markets for the benefit of all involved. The business is backed by the Vestey Holdings Group, a fourth-generation family business whose origins date back to the 1890s.

See <https://k3advisory.com/> for more information.

About Royal London

Royal London is the largest mutual life, pensions and investment company in the UK, and in the top 30 mutuals globally*, with assets under management of £169 billion, 8.6 million policies in force and over 4,200 employees. Figures quoted are as at 30 June 2024.

Royal London has leveraged its capabilities to develop an attractive bulk annuity solution for trustees and their members. It transacted a full scheme buy-in policy with the Trustee of the Royal Liver UK Pension Scheme in November 2023 followed by a bulk annuity buy-in policy in January 2024 to insure a subset of members in the Royal London Group Pension Scheme. It has since transacted two further full scheme buy-in transactions with external pension schemes during the third quarter, which has validated its capabilities as part of its market entry.

*Based on total 2022 premium income. ICMIF Global 500, 2024

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