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<https://www.bandbpensions.com>



February 2026 Newsletter for members of the Bradford & Bingley Staff Pension Scheme ("the Scheme")

Hello and welcome to the 2026 newsletter, providing you with an update on the Scheme. In this newsletter we will report on important financial information including the funding position of the Bradford & Bingley Pension Scheme, alongside other developments.

Bradford & Bingley Pensions Limited: Directors

Michael Chatterton

Chair of Trustees:
The Law Debenture
Pension Trust
Corporation plc

Tim Wood

Company nominated
director

Martin Scott

Company nominated
director

Chris Tomes

Member nominated
director

Mike Hammond

Member nominated
director

Bradford and Bingley Pensions Limited is the Trustee of the Bradford & Bingley Staff Pension Scheme (referred to as the "Scheme"). The Trustee is responsible for making sure there is enough money in the Scheme to pay everyone's benefits.

Within this newsletter we provide an overview of the financial position of the Scheme following the most recent triennial actuarial valuation as at 30 June 2024 and subsequent annual update as at 30 June 2025.

Further, information is provided covering key projects that will impact upon Scheme members. In particular, progress on transitioning the Scheme benefits to the Public Sector and on equalising the historic sex inequalities associated with Guaranteed Minimum Pensions.

Finally, details on where to find more information about the Scheme and your benefits are provided.

We hope you find this newsletter informative. If you have any questions, please contact the Scheme's administrator using the details provided.

Our finances and members

Trustee's Report and Financial Statements

Each year the Trustee produces a set of accounts, showing how much money has gone in and out of the Scheme during the year. Then our independent auditors, RSM, carry out an audit of the Trustee's accounts, so you can have peace of mind knowing your pension scheme is being carefully looked after.

Our independent auditors RSM have confirmed that the accounts for the year to 30 June 2025 represent a true and fair view of the financial transactions of the Scheme during the year. A summary from the Trustee's annual accounts for the year to 30 June 2025 is given below:

	£m
Value of the Scheme assets at 30 June 2024	900.9
Plus income (including Company contributions and investment income)	23.7
Minus expenditure (including pension and other benefits, payments to leavers, fees and expenses)	(36.9)
Change in market value (the change in the value of the assets during the year)	(47.1)
Value of the Scheme assets at 30 June 2025	840.6

If you would like more information, this can be found in the Trustee's Report and Financial Statements available from the Scheme Administrator.

Our membership

The Scheme is made up of the following types of members as at 30 June 2025.

Source: Trustee's Report and Financial Statements as at 30 June 2025.

Deferred members

2,546

Pensioners and dependents

3,312



Glossary

Deferred members are those who are yet to start receiving their pension.

Pensioner members are those former active members currently receiving a pension from the Scheme.

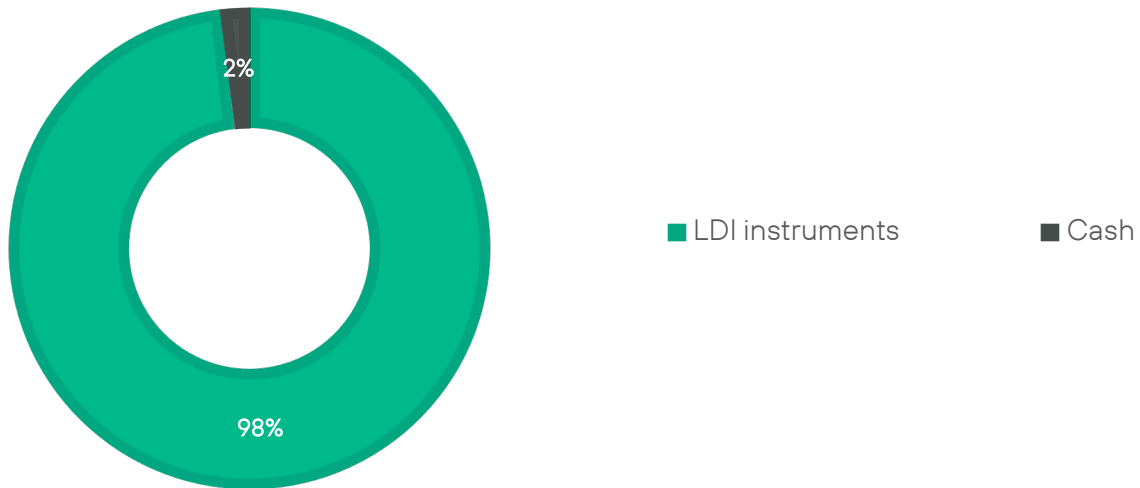
Dependent members are those widows/widowers, children and dependants of deceased members.

Our investments

The money that has built up in the Scheme is known as its “assets” and the way that the assets are invested is an important part of keeping your benefits secure. The day-to-day management of the Scheme’s assets is delegated to experienced investment managers and the Trustee reviews the investment strategy and monitors the investment returns on a regular basis. The Trustee takes a long-term view, bearing in mind that payments from the Scheme will continue for a long time into the future.

The Scheme invests in liability driven investment investments (“LDI”) that mitigate against future market movements by providing a high level of hedging protection against changes to interest rates and inflation expectations. Therefore, the Trustee expects the funding level to remain stable regardless of short or long-term market volatility.

The Scheme’s assets were invested as follows at 30 June 2025:



Source: Trustee’s Report and Financial Statements at 30 June 2025.

Further details regarding the investment strategy are contained in our statement of investment principles, which you can view online at:

<https://www.bandbpensions.com/app/uploads/sites/9/2025/10/BB-SIP-August-2025-Clean.pdf>



Summary Funding Statement

What is the Scheme's financial position?

A full actuarial valuation of the Scheme was carried out as at 30 June 2024 with a further actuarial report carried out as at 30 June 2025, the results of which are detailed below:

	30 June 2024	30 June 2025
	£m	£m
The value of the Scheme's liabilities was:	727	662
The Scheme's assets were valued at:	900	840
This means that there was a surplus / (shortfall) of:	173	178
Funding level	124%	127%

We are required to inform you whether a payment has been made to the employer, as permitted under the Pensions Act 1995, since we last sent you a summary funding statement. We can confirm that no such payment has been made to the Employer.

How has the Scheme's financial position changed since you last sent me a summary funding statement?

When we last sent you a summary funding statement we reported that the Scheme was estimated to have a surplus of £140 million at 30 June 2023. The funding level of the Scheme was 118%.

Since 30 June 2023, the Scheme's funding level has improved to 124% at 30 June 2024, with a surplus of £173 million, as shown above. The improvement in the Scheme's funding level is mainly as a result of changes in the assumptions used to place a value on the liabilities, such that the liabilities have fallen by more than the fall in the value of the assets. In addition, the funding position has improved further as at 30 June 2025 to 127%, with a surplus of £178 million, mainly due to membership experience over the year being different from what was assumed.

As the Scheme is in surplus, no further contributions are currently expected from the Employer.

To calculate the amount of the surplus, assumptions have to be made about what will happen in the future, for example, the rate at which the Scheme's assets will grow. If the assumptions do not all turn out to be exactly right, it may be necessary to have further contributions to the Scheme. The Trustee will monitor the funding position annually to determine if further contributions are required.

Is there enough money in the Scheme to provide my full benefits if the Scheme was wound-up?

The actuarial valuation at 30 June 2024 showed that the Scheme's assets would have been enough to enable the full benefits of all members to be secured with an insurance company if the Scheme had wound-up at that date.

The liabilities if the Scheme were to be wound-up were £719 million

The Scheme's assets were £900 million

This means that there was a surplus of £181 million

The fact that we have shown the winding-up position does not mean that the Employer is thinking of winding up the Scheme. It is just another piece of information we hope will help you to understand the financial security of your benefits.

The Government has provided a guarantee for the benefits to be paid in certain circumstances if there were insufficient assets in the Scheme.

If it was decided that the benefits on winding-up should be secured with an insurance company, then the Employer would be required to pay any additional amount required in order to enable full benefits to be secured.

Scheme developments



Transition of the Scheme to the public sector

In previous updates, we confirmed that progress had been made to allow the transition of the benefits within the Scheme to a new statutory public sector pension scheme, operated by HM Treasury.

This project continues, with significant work being undertaken to review the benefits paid to members of the Scheme, to ensure that members are provided with the pensions that they are due both now and after the anticipated transition.

A fundamental principle that the Trustee is working to is to ensure that members are no worse off following the transition and that members' rights are protected.

The transfer date remains uncertain, given the volume of work to be completed. However, it is not expected that the new public service scheme will be in place until autumn 2027 at the earliest.

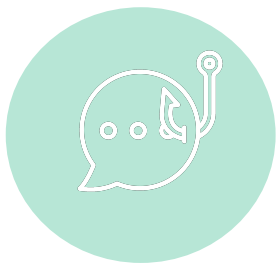
We appreciate that this topic will be of interest to Scheme members and are thankful for your patience as the detail is worked through. The Trustee will inform members of key developments as and when they occur and will communicate these appropriately.

GMP Equalisation

If you joined the Scheme before 6 April 1997, part of your overall pension benefit is known as Guaranteed Minimum Pension (GMP). Historic rules set by the UK government meant the terms on which GMPs have been paid are not equal for males and females.

All UK pension schemes are required to equalise historical inequalities in benefits for men and women with relevant GMP.

The Trustee is pleased to confirm that it anticipates GMP equalisation to be completed ahead of the transition of benefits to the new public sector scheme, with a target date of summer 2027. Those who are impacted will be notified, with revised benefits being communicated and, where relevant, any underpaid pension amounts corrected.



Developments in pensions



Changes to the lifetime allowance (LTA)

The government previously taxed some of your benefits differently if the value of your pensions was above the LTA (£1,073,100 in the 2023/24 tax year). The government has abolished the LTA for most purposes from 6 April 2024. Future policy decisions regarding taxation of pension benefits could result in a different regime being introduced.

The LTA has been replaced by two new allowances:

- Lump Sum Allowance – £268,275 (i.e. 25% of the former LTA), which is the overall limit for receiving tax relief on lump sums paid at retirement.
- Lump Sum and Death Benefit Allowance – £1,073,100, which is the overall limit for receiving tax relief on lump sums paid in life and upon death.

These lump sum allowances are new and introduce some more complexity to the pensions tax rules.



Changes to inheritance tax rules

The government is planning to change the inheritance tax rules around unused pension funds and death benefits from 6 April 2027. Just now, pension benefits are usually excluded from your estate when working out the inheritance tax payable. Under these new rules, some benefits will be included in your estate for inheritance tax purposes. The details of which pension benefits will be included have still to be confirmed by the government. However, we do know that any dependant's pensions and death in service benefits will not be included.

Not all estates will need to pay inheritance tax. You can find out more by visiting this website: <https://www.gov.uk/inheritance-tax>.



Mid Life MOT

The Department of Work and Pensions (DWP) has launched an online mid-life MOT tool. It aims to help workers over age 45 take stock of their finances, skills and health.

Based on your answers to a short series of questions, the tool will provide you with a bespoke report outlining areas you could focus on and where to find further information and support to meet your needs. You won't need any documents or extra information to use the tool and it should take around 5 minutes. The tool is free and available at <https://www.moneyhelper.org.uk/en/everyday-money/midlife-mot>.



Expression of wish form

Have you completed an expression of wish form? This tells us who you would like to inherit your pension benefits upon your death. There are some conditions on who can be nominated; however the Trustee will take your wishes into consideration. The form can be updated at any time should your circumstances change. You can obtain a copy of the form via the Scheme website or contacting the Scheme's administrators using the details provided.



Delegating control

Have you considered how you or your family would manage your financial affairs if you couldn't carry out everyday tasks for yourself? A power of attorney is a legal document that allows someone to make decisions for you, or to act on your behalf, if you're no longer able or no longer wish to manage your own affairs.

There are different types of power of attorney, and you can set up more than one. However, you can only do this while you still have capacity, so you'll need to plan ahead. You can find out more at <https://www.gov.uk/power-of-attorney> or you can get advice from a solicitor.

Protecting yourself against pension scams



It is important to know the warning signs when it comes to pension scams. Often scammers will try to persuade pension savers to transfer their entire pension savings, or to release funds from your savings, by offering incentives such as higher returns or releasing cash before age 55.

What to look out for

- Calls, texts or emails from unknown numbers or email addresses
- Phrases such as "free pension review", "pension liberation", "loan", "cashback"
- Guarantees that they can get you better returns on your pension savings
- Help to release cash from a pension before the age of 55, with no mention of the tax implications
- Complicated or unusual, high-risk investments

Help and advice

- The Government's Pension Wise service (provided by MoneyHelper) explains your options at retirement: <https://www.moneyhelper.org.uk>
- Speak to an adviser authorised by the Financial Conduct Authority (FCA): <https://register.fca.org.uk>
- Visit the Pensions Regulator website for more information on pension scams: <https://www.thepensionsregulator.gov.uk>
- If you think you have been a victim of a scam, please report it to the FCA on 0800 111 6768 or email consumer.queries@fca.org.uk

Further information

Your benefits in the Scheme

Members of the Scheme are able to access information relating to the Scheme and to perform some basic administrative tasks via the Scheme's website at <https://www.bandbpensions.com>

Further, members can access information about their personal benefit entitlement via the member portal at <https://member.thepensionsplatform.co.uk/Homepage>. This site provides members with real time access to information about their personal Scheme benefits and Scheme documentation.

The Trustee strongly recommends that members take advantage of the opportunity to access their Scheme information via the portal. Some of the capabilities that are available to members via the portal are:

- **Real time access to your benefit information** – If you are a deferred member of the Scheme (i.e. you have not yet chosen to receive your pension) you are able to view your deferred pension entitlement at the current date (i.e. allowing for revaluation from the date at which you left the Scheme to now). If you are a pensioner member, you are able to view your current pension in payment on the portal.
- **Ability to request benefit illustrations and options** – The vast majority of deferred members are able to access illustrative cash equivalent transfer values ("CETV"). These are illustrative and are not a guaranteed transfer quotation. Therefore, they do not count towards your limit of one free CETV quotation per annum. Should members wish to request a guaranteed quotation, this can be requested via the portal or by contacting the administrator. Further, deferred members are able to access illustrative retirement quotations to aid their financial planning.
- **Ability to update details** – Members are able to update their personal information such as bank details, change of address, marital status and spouse/dependant information in the portal. In particular, the Trustee encourages members to update their expression of wishes section to ensure that a spouse or other dependant(s) are nominated to receive contingent benefits when you die. It is important that all Scheme members keep their contact details with us up to date. Please let us know if you move to a new house, or of any other changes (such as your marital status) which may affect your pension, by updating your details on the member portal or by contacting the Isio Pensions Administration team via post or email.
- **Pension payslips** – Pensioner members are able to access their payslips from the Scheme via the portal.
- **Access to Scheme documents** – There are a number of documents about the Scheme which are available for you to read in the portal.

If you encounter any difficulties in registering for the portal, please contact the scheme administrator and they will be able to assist.



Your Scheme administrators – Isio Group Limited



If you have changed your address or wish to change your nominated beneficiary, then please let us know by contacting us using the following contact details:

By phone: 0330 053 4342

By email: bandbpensions@isio.com

By letter: Isio Group,
PO BOX 163,
Blyth,
NE24 9GS

As administrator for the Scheme, Isio holds and processes personal data about the Scheme's members and beneficiaries enabling them to carry out their duties on behalf of the Trustee.

The privacy notice sets out details of the data which the Scheme collects and what this is used for. We have recently made some substantive updates to the Scheme's privacy notice, which you can find on the Scheme website at:

<https://www.bandbpensions.com/infosheets/privacy-notice/>

We encourage you to review the changes and if you have any queries or require further information, please contact the administrator using the details above.

If you have any queries regarding your Scheme membership then please contact Isio, the Scheme administrator, who will be able to assist with your queries. Isio will also be able to assist if you are dissatisfied or concerned about any matter relating to the Scheme and will be able to provide you with relevant details of the Scheme's internal dispute resolution procedure and external bodies that can also provide advice and assistance.

Transfers out of the Scheme

Deferred Scheme members are able to request to transfer the value of their Scheme benefits to another pension scheme or arrangement. Transfer value quotations can be obtained by contacting the Scheme administrators.

It is not possible to reverse a decision to transfer if you subsequently discover that it was not in your best interest. When considering transferring out of the Scheme, pension regulations state that independent financial advice must be taken from an adviser with appropriate pension transfer authorisation before any transfer can proceed. The only exception to this is in cases where the transfer value is less than £30,000.

Transfer value quotations are guaranteed for a period of three months from the date of calculation. If a re-quote is requested within twelve months of the original quotation, a charge of £300 applies. It is therefore a good idea to have an adviser lined up in advance of requesting a quotation to avoid a lengthy advice process taking you over the three-month limit.

The Occupational and Personal Pension Schemes (Condition of Transfers) Regulations 2021 require the Trustee of the Scheme to ensure that specific checks are carried out before complying with a member's request to transfer their pension benefits. The purpose of these checks is to reduce the risk of pensions scams. All transfers need to satisfy one of the following two conditions:



1. You are transferring to one of the following:
 - a public service pension scheme – a scheme established by a public authority for civil servants, armed forces, health service workers, teachers, judiciary, police, firefighters and local government workers;
 - an authorised Master Trust Scheme – details of Master Trusts authorised by the pensions regulator can be found at <http://www.thepensionsregulator.gov.uk/en/master-trust-pension-schemes/list-of-authorised-master-trusts>;
or
 - an authorised collective defined contribution (CDC) scheme – once authorised, the pensions regulator will publish a list of authorised CDC schemes.

These schemes are known as “safe schemes”. If you are transferring to one of these, the transfer can proceed.

2. Applies to all transfers that are not to “safe schemes” (e.g. a personal pension, self-invested personal pension, etc.) and sets out risk indicators by way of red and amber flags. We may need to request additional information from you or contact you in this regard. If a red flag is present, the transfer cannot proceed. If an amber flag is present, the transfer can only proceed if you take scam-specific guidance from MoneyHelper and provide a unique identifier from MoneyHelper to confirm that you have discussed the transfer of your benefits with them.

Further information on the regulations and what constitutes red and amber flags can be found at: <https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/dealing-with-transfer-requests>