

GO Nationwide

# Using GO targets to improve member engagement

Nationwide is the world's largest building society and the UK's second-largest mortgage provider, with over 15 million customers and members, served by over 18,500 employees. A comprehensive review of its pension arrangements helped Nationwide to realise that its DC schemes were being underused, with low member engagement. Working together Nationwide we introduced a member engagement campaign with Guided Outcomes (GO™) and targets at its core.

## Scheme member analysis

The first step of the campaign was to carry out a member-by-member GO assessment, which showed members were not paying enough into their pensions. 600 of the 12,000 eligible workforce were making no contribution at all and just 8% of members taking advantage of maximum contributions on offer. We helped Nationwide to review the DC contribution structure using GO scenario analysis modelling, to understand the impact of changes to both the core contribution structure and to the default contribution rate.

As a result of the analysis, Nationwide changed the contribution default so members automatically started paying the maximum matching contribution. The result of this process was that the scheme went from having just 8% of members paying the maximum to 80% paying the maximum.

## A new member portal

The next step in the campaign was for Nationwide to introduce our GO portal for scheme members. The portal sets a personalised target based on salary for each member (although targets can be set by employers if required) The portal then calculates individual members' chances of achieving this target and shows them if they are on track via a red, amber or green rating (green being very likely, amber moderate and red unlikely). For members with an amber or red evaluation, GO guides them on ways to get on track to 'green' – either by upping contributions and/or delaying their retirement age.

For Demo Pension Plan, GO indicates that at 65 years old: ?

Your potential retirement income ?

£6,200 a year

Your target retirement income ?

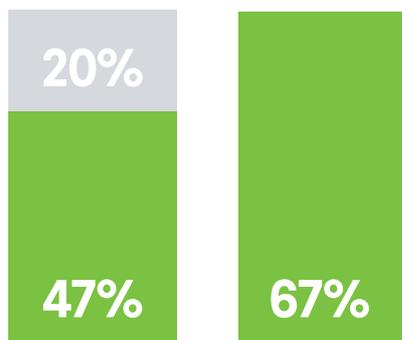
£10,000 a year

Likelihood of reaching your target ?

Unlikely

When Nationwide first introduced the GO portal, 47% of scheme members were rated as green, which was already impressive, however after introducing the portal in 2017, the figure has risen to 67%. This compares to a financial services industry average of only 26%. Use of the portal is high too, with 35% of members now registered to use it vs under 5% for typical provider websites.

### The rise in scheme members being on target to secure adequate pension



Nationwide has also benefited from ongoing governance of its DC plan using GO MI reports. These provide regular updates on portal usage including measuring spikes in the number of member portal sessions from GO reminders (to register, to log in, etc.).

### Commenting on the engagement campaign, Ian Baines, Head of Pensions at Nationwide says:

“We decided to appoint Hymans Robertson as we felt its Guided Outcomes technology was a powerful differentiator. The targets-based approach is really effective in helping our employees work out what kind of retirement income they are on track for and encourages them to engage proactively with their pension savings.

“We also benefit from the rich data that we are able to get from GO on our scheme membership. Access to this data further helps us to manage our scheme better and develop more targeted communications to members as well.”

