



How safe is members' money?

NEST was set up by the government as a trust-based workplace pension scheme. Under trust law we have a number of legal duties to our members, including acting in their interests. That means we're not here to make money out of our members – we're here to manage and grow our members' money and keep it safe.

What happens to members' money after it's deducted from their pay?

It's up to employers to pay members' contributions to NEST along with any contributions that they make on members' behalf. Members can see the contributions we've received and check what's in their retirement pot by logging into their online account at any time.

How does NEST make sure members' money is safe?

We make sure that members' money is held securely. We take our responsibility to safeguard members' money against financial crime very seriously. We have internal controls and security measures in place to manage our scheme in line with the high standards expected by The Pensions Regulator.

We spread members' retirement pots across different types of investments with different companies in different regions who have different areas of expertise. This helps to keep members' money safe because we're not putting all their eggs in one basket. This also means that members aren't relying on just one company or one type of investment being successful for their retirement pots to grow.

We only select well established investment companies with high standards of governance. Most of the investments we use are from markets that are regulated by the Financial Conduct Authority, or a similar overseas regulator if the investment is based outside of the UK.

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What happens to members' money if NEST or members' employers go out of business?

Members' retirement pots remain their property no matter what happens to their employer or to NEST. Even in the highly unlikely event that NEST was to go out of business, the money in members' retirement pots would be protected because it's held under trust. No one else would have a claim to members' money because NEST or an employer went out of business*.

What happens to members' money if a company NEST invests with goes out of business?

We choose investments with reputable companies that we judge to be financially secure and very unlikely to go out of business. We regularly monitor the companies we use to ensure that this doesn't change.

It's extremely unlikely that one of the companies NEST invests with will go out of business, but if one does we would usually have a priority claim on the money that had been invested.

In addition, the Financial Services Compensation Scheme (FSCS) offers some protection for savers and investors when financial companies go out of business. Currently most of our investments are managed by UK insurance companies[†]. For NEST members the FSCS could make up any shortfall for these investments which NEST couldn't recover through other means, although this is decided on a case by case basis.

Find out more about the FSCS at [fscs.org.uk](https://www.fscs.org.uk)

Find out about NEST's investment approach in our guide [Looking after members' money \(PDF\)](#).

*Our investment managers may reserve the right to deduct any investment charges remaining unpaid if NEST was to go out of business.

[†]References to UK insurance companies are to long-term contracts of insurance, as defined by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) Handbooks.