

**Media Release
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For immediate release

Xafinity Paymaster urges the Pension Regulator to consider personal accounts as the default option for small businesses without pension provision

Xafinity Paymaster, one of the UK's largest and most experienced providers of outsourced pensions administration, is calling on the Pensions Regulator to make personal accounts the default option for small businesses who don't already have a pension arrangement for their staff and are unlikely to have the resources to scour the market for a pension provider once auto-enrolment is introduced in 2012.

In the UK, there are over 800,000 businesses employing under five people and a further 200,000 that employ between six and nine. Xafinity is concerned that many of these businesses won't have the necessary skills to trawl the market and make informed decisions and it is looking for the Pensions Regulator to provide a default option rather than penalise the companies that fail to do anything through lack of knowledge.

In the absence of a default option Xafinity wants reassurances that a simple comparative system will be available at launch for businesses, similar to that offered by the FSA for the general public.

Xafinity Paymaster Director, Clare Ward, commented:

"Almost 4 million people work for companies that employ less than 10 people and they provide the backbone for our economy. However, as they are small and normally specialised they won't necessarily have financial skills with respect to pensions, furthermore they are often difficult for financial services companies to market to.

We are therefore extremely concerned that many small businesses will be left without the necessary support and might end up doing nothing. In order for companies not to risk being fined we would like a simple process which could include a default option and at minimum must include a simple comparative process akin to that used by the FSA."

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Notes to Editors



Xafinity Paymaster is one of the UK's largest providers of outsourced pensions administration, payments and collections, complaints handling and resourcing services for hundreds of public and private sector organisations.

Xafinity Paymaster has an unparalleled 170 years' experience in large-scale financial administration. Founded in 1836, Xafinity Paymaster has an unparalleled 170 years' experience in large-scale financial administration. Over 2 million members throughout the world rely on Xafinity Paymaster to pay their pensions, with transaction values exceeding £10 billion every year.

www.xafinitypaymaster.com



Xafinity is one of the UK's leading specialist providers of pensions, employee benefits and payments expertise, with 170 years' experience and handling £2 trillion annually.

The group provides consulting, software, resourcing, training and business process outsourcing services that enable public and private sector organisations to deliver employee benefits more efficiently.

In 2008, we were voted Pensions Administration System Provider of the Year and won the Pensions Administration Software Award, as well as winning Best Pensions Software provider in 2007. We are the accredited software supplier to the UK Principal Civil Service Pension Scheme.

With 1,500 people nationwide, we have operational and relationship management centres across the UK, in Bath, Cardiff, Crawley, Fleetwood, Leeds, London, Reading, Stafford, Stirling and Waterlooville.

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