



Rules and regulation roundup: What the FCA and TPR have on their plates

Callum Conway looks at how the FCA and TPR are moving from consultation to delivery, as targeted support, dashboards and the Pension Schemes Act drive a more outcome-focused, data-driven pensions system

The UK pensions regulatory agenda remains densely packed, with both the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) advancing a wide-ranging programme of reform spanning value for money (VFM), retirement support, dashboards, governance and market structure.

While many of these initiatives have been in development for some time, 2026 represents a pivotal year for implementation and delivery.

For example, the introduction of targeted support, the continued rollout of pensions dashboards, and the Pension

Schemes Bill achieving Royal Assent are all moving regulation from consultation into practice.

Across both regulators, there is also a clear shift in emphasis.

The focus is no longer solely on compliance with prescriptive rules, but on delivering demonstrable outcomes for members, supported by stronger data, better governance and increased scale.

At the same time, the boundary between accumulation and decumulation is becoming less distinct, with regulators placing growing weight on how savers convert pension pots into sustainable retirement income.

Against this backdrop, schemes and providers are facing a dual challenge: responding to immediate regulatory requirements while preparing for a system that is evolving structurally and operationally at pace.

FCA

Targeted support goes live

The launch of targeted support on 6 April 2026 marked a major milestone in the FCA's efforts to bridge the gap between guidance and regulated advice.

The framework allows firms to provide tailored suggestions to groups of consumers with shared characteristics, without triggering the full regulatory requirements associated with personal recommendations.

This is intended to make support more scalable and affordable, particularly for those with relatively straightforward needs who are currently underserved.

However, the regime also introduces new expectations.

Firms must define customer cohorts carefully, ensure that suggestions are appropriate for those groups, and demonstrate compliance with the Consumer Duty.

This includes evidencing that the support provided leads to good outcomes and does not expose consumers to foreseeable harm.

Operationally, this is likely to require significant investment in data, segmentation and governance.

Advice rules under review

Alongside targeted support, the FCA is consulting on simplifying its advice rulebook to make it easier for firms to offer a broader range of support services.

It has two main objectives: to consolidate, simplify and reframe advice rules by modernising and clarifying regulatory requirements and reducing regulatory burden; and to review the FCA's existing rules relating to advisers' ongoing services.

Simplified advice is aimed at those with more 'straightforward' financial needs that do not require a full assessment of their financial circumstances.

The FCA noted that while firms were already able to provide more simplified forms of advice, many do not offer it.

This work is closely aligned with wider government objectives to increase access to financial advice.

VFM framework progresses

The joint VFM framework, being developed with TPR and the government, remains one of the most significant structural reforms underway.

The framework is designed to enable consistent assessment of value across DC schemes, based on metrics covering investment performance, costs and charges, and service quality.

Recent proposals have introduced comparator groups and a rating system to facilitate clearer comparisons between schemes.

The latest consultation closed in March 2026, with final rules expected following further consideration and the Pension Schemes Bill having received Royal Assent.

However, former Pensions Minister, Guy Opperman, recently described the bill as "utterly unworkable" in its current form, and industry bodies have urged the government and regulators to conduct

further testing of the framework before it is formally introduced.

In response, leading figures from the Department for Work and Pensions (DWP), the FCA, and TPR stressed that the current framework should be seen as a "starting point", with scope for further development.

Charge cap reform on the horizon

The FCA has also signalled that it will consult on potential changes to the pension charge cap in 2026, focusing on how performance fees are treated.

This work reflects concerns that the current framework may discourage investment in certain asset classes, particularly private markets, where performance-based fees are more common.

The charge cap, which is a government-set limit that has applied since April 2015, is currently set at 0.75 per cent of funds under management within the default arrangement, or an equivalent combination charge.

The cap applies to all scheme administration and investment charges, excluding transaction costs, meaning it doesn't currently include costs that are incurred by the investment manager when assets are bought, sold or lent by the fund.

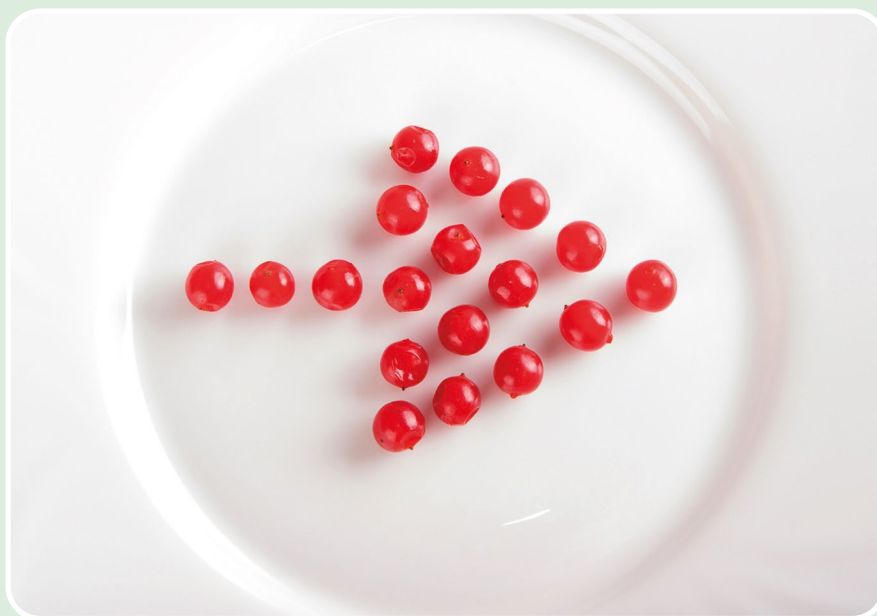
The consultation is expected in the second quarter of 2026, with a further milestone expected in October-December 2026.

Digital tools and consolidation

The FCA has also been examining how regulation can better support the use of digital tools in pension planning.

Proposals in this area aim to enable firms to offer more interactive tools that help consumers understand their options, model different outcomes and make informed decisions about transfers and consolidation.

This is particularly relevant given the proliferation of small pension pots - while consolidation can simplify and



potentially reduce costs, it also introduces risks, so consumers need appropriate support.

Dashboards deadline approaches

Pensions dashboards remain a key priority, with FCA-regulated providers required to connect by 31 October 2026.

The focus has now shifted to delivery, with firms working to ensure that data is accurate, systems are integrated, and processes are in place to support consumer interactions.

Recent updates show that progress is being made, with hundreds of schemes connecting and tens of millions of records in scope.

However, the scale of the task remains significant, particularly for firms dealing with legacy data and complex systems.

Pension transfer reforms and consumer decision-making

The FCA is progressing reforms to improve how consumers make decisions about pension transfers and consolidation, particularly in non-advised scenarios, through its latest consultation.

The proposals aim to support more structured decision-making, including the use of digital tools and simplified comparisons, helping consumers assess whether to transfer or combine pension pots without full regulated advice.

However, industry bodies have warned that the reforms risk falling short unless applied across the whole market.

There are also concerns that the proposals could create fragmented journeys, increase complexity and undermine related initiatives such as small pots consolidation, dashboards and the VFM framework.

Focus on retirement journeys

The FCA is placing increasing emphasis on decumulation, recognising that many consumers struggle to make effective decisions when accessing their pension

savings.

Planned work on retirement journeys and guided retirement solutions is expected to explore how firms can better support consumers at this stage, including through default pathways and structured guidance.

While automatic enrolment has been successful in building pension savings, there is growing concern that the system is not yet delivering consistent or optimal outcomes in retirement.

Alongside this, wider policy developments, including work on collective defined contribution (CDC) and default retirement solutions, point to an increasing focus across regulators and government on how pension savings are converted into sustainable income.

TPR

DB funding code implementation

The defined benefit (DB) funding code, which came into force in 2024, continues to reshape how schemes approach funding and investment strategy.

The framework requires trustees to adopt a more structured, long-term approach, supported by a formal statement of strategy.

This includes clearer expectations around journey planning, risk management and alignment between funding and investment decisions.

As more valuations are completed under the regime, trustees and sponsors are working through its practical implications, with TPR continuing to monitor how the framework is being applied and embedded across the market.

LCP recently noted that valuations under the new DB funding regime presented a key opportunity for trustees and sponsors to reassess long-term strategy, arguing that trustees should prioritise strategy over compliance.

Endgame planning evolves

The funding code is closely linked to a growing focus on DB endgame strategies.

As DB funding levels remain strong in 2026, TPR has encouraged trustees to consider a wider range of options, including buyout, run-on and consolidation solutions such as superfunds.

This reflects a recognition that the traditional buyout route may not be suitable for all schemes.

The reforms set out in the Pension



Schemes Act would also allow well-funded DB schemes to access surplus funds when it is safe to do so, widening the choices available to trustees.

Dashboards readiness intensifies

Dashboards are also a major priority for TPR, with schemes required to connect in line with a staged timetable and no later than October 2026.

The regulator has emphasised that data quality is critical to the success of dashboards, warning that poor data could undermine member confidence and limit the usefulness of the system.

It has advised pension schemes to concentrate on value data and learn lessons from user testing, with three-quarters of all records now connected to the central digital architecture built by the Money and Pensions Service (Maps).

Data and administration in the spotlight

TPR has placed increasing emphasis on data and administration as core elements of good governance.

Recent guidance highlights that trustees remain responsible for administration, even where services are outsourced, and that high-quality data is essential for effective decision-making.

This reflects a broader shift in how administration is viewed: Rather than a back-office function, it is now seen as critical infrastructure underpinning dashboards, VFM assessments, and member engagement.

Trusteeship reform becomes more concrete

Trusteeship reform has moved further up the agenda, with increased scrutiny of governance standards and the role of professional trustees.

The DWP launched a consultation in March on plans to improve the standards of pension scheme trusteeship, governance, and administration, aiming to ensure trustees have the standards and skills

needed to deliver a modern pensions system that works harder for savers and supports UK economic growth.

Industry debate has focused on issues such as proportionality, accreditation, the concentration of professional trustee firms, and the need for consistent standards across the market.

Meanwhile, some have raised concerns about the independence of trustees and potential conflicts of interest as the market evolves and consolidates.

VFM and transparency agenda

TPR continues to work closely with the FCA on the VFM framework, which is expected to drive greater transparency and accountability.

By enabling clearer comparisons between schemes, the framework is likely to increase pressure on underperforming arrangements and accelerate consolidation. TPR warned that these reforms would significantly increase governance and administrative demands, particularly for smaller schemes with more limited resources.

DC consolidation accelerates

TPR has been clear that the DC market is consolidating, with a shift towards fewer, larger schemes.

In recent commentary, the regulator has pointed to a continued decline in the number of small and medium-sized schemes, alongside growth in master trusts and other large arrangements.

Rising regulatory expectations, cost pressures and the need for scale are all contributing to this trend.

In particular, the development of the joint VFM framework is expected to sharpen scrutiny of scheme performance, making it more difficult for smaller schemes to consistently demonstrate value.

TPR has explicitly urged smaller schemes to assess whether they can realistically meet these expectations, warning that trustees should consider

consolidation or wind-up where better outcomes could be delivered elsewhere.

Looking ahead, the direction of travel is likely to accelerate further as reforms linked to the Pension Schemes Act come into force, including proposals around minimum scale requirements for default arrangements in master trusts.

CDC moves further up the agenda

CDC is also becoming a more prominent feature of the regulatory landscape.

TPR is developing its framework for multi-employer CDC schemes, having launched a consultation in December. It also confirmed that it is working with the DWP on the third stage of establishing a CDC market in the UK – retirement-only CDC schemes, with further legislation expected to support their introduction.

The regulator said it anticipates accepting CDC applications from the beginning of August 2026, meaning more CDC schemes could be operating in early 2027.

The pensions industry has broadly welcomed TPR's proposals for a revised CDC code of practice but called for further consideration on marketing and investment strategy rules.

Conclusion: A system in transition

Taken together, the FCA and TPR agendas point to a pensions system undergoing significant transformation, much of it driven by the Pension Schemes Act and related reforms.

While many initiatives are still being developed, the overall direction is clear: a more consolidated, data-driven and outcome-focused system, with greater emphasis on value and retirement income.

For schemes and providers, the challenge is not only to comply with new requirements but also to adapt to a changing landscape in which scale, governance, and member outcomes are becoming increasingly central.

 **Written by Callum Conway**