

### Summary

- The Department for Work and Pensions recently consulted on plans to improve trusteeship, governance and administration, with several industry experts suggesting in their responses that a trustee register could help achieve these goals.
- The Pensions Regulator (TPR) currently maintains the only independent trustee register, designed to target trustees and schemes that require additional support to fulfil their obligations.
- According to industry, a proposed trustee register should build on TPR's existing offering and improve transparency, governance and regulatory oversight.
- However, disagreements persist over the detail, such as whether it should include lay trustees, how it should function, and whether it risks becoming a burdensome compliance exercise.

# Rethinking trustee oversight

As schemes consolidate and governance demands increase, Paige Perrin investigates industry opinions on the idea of a central trustee register, and how it could operate in practice, from scope and design to potential unintended consequences

“Pension schemes are becoming larger and more complex, and that inevitably raises expectations of the people trusted to run them,” Pensions Management Institute chief strategy officer, Helen Forrest Hall, says.

Standards across the pensions landscape are rising, from value for money to trusteeship and consolidation. In the trustee space, the Department for Work and Pensions (DWP)



has recently consulted on plans to improve trusteeship, governance and administration, with some industry experts suggesting a central trustee register in response.

Currently, The Pensions Regulator (TPR) maintains the only independent trustee register. However, as pension governance evolves, with greater consolidation and increased reliance on professional and sole trustees, this approach may no longer provide sufficient transparency or oversight across the wider trustee landscape.

### The make-up

Law Debenture trustee director, Sean Burnard, says: “The evolving landscape of pension governance...calls for a formal trustee register. Establishing a register would improve transparency and provide regulators with clearer visibility into the industry.”

Pi Partnership head of trusteeship, Joanne Holden, adds that a register would identify individuals and the role they play in the industry, whether in a

professional or lay trustee capacity.

“It would then provide clarity on who the potential candidates are in the market and help to ensure that an individual is not just selected because they are the only known candidate,” Holden continues.

Despite this consensus that a register is needed, there is disagreement on who it should apply to.

Holden says that Pi Partnership believe a trustee register should capture both professional and lay trustees; however, BESTrustees chair and trustee director, Ann Rigby, argues that the register should be “limited to professional trustees and trustee chairs”.

“For lay trustees, there is such a wide range of experience and training undertaken, much of this happens informally or within trustee meetings and may not always be recorded,” she continues, noting that mandatory inclusion could deter lay trustees from joining a trustee board and reduce board diversity.

Despite disagreement about what type of trustee should feature on the register, there was agreement that TPR should be the one to hold the register. As Vidett chief client officer, Alison Hatcher, points out, “as TPR already maintains a trustee register, it makes sense for TPR to own and expand that register”.

Independent Governance Group head of policy and external affairs, Louise Davey, warns the register should be established with a “clear mandate to provide adequate oversight of trustee appointments with as little administrative burden as possible”.

To achieve this, she proposes a unique identifier linked to a central record.

“This could sit alongside and be linked to a register of trustees where information such as accreditation status, other qualifications and contact details are held in one place, removing the need for duplicate information to be provided on multiple scheme returns,” she says.

Holden recommends that professional trustees enter the register through a

reviewed accreditation process, akin to the Fit & Proper form. Meanwhile, she suggests that lay trustees should be added upon board appointment and remain on the register, to utilise their experience, unless they request removal.

Burnard notes that the Financial Conduct Authority Register offers a guide of what a trustee register should look like: “a factual, role-based system centred on accountability rather than assessments of quality”.

“To ensure maximum clarity and transparency, the register should include identity (individual or corporate), type of trustee role (e.g. professional trustee, chair, sole trustee), trustee delivery model (individual appointment versus supported corporate structure), accreditation status and CPD compliance, and relevant regulatory or disciplinary history,” he adds.

Meanwhile, Holden says trustees experience should also be displayed on the register (i.e., DC, DB, master trust, CDC, investments, admin, governance, etc.), which should include not only their length of experience as a professional trustee, but also other relevant experience for a trustee position and the number of appointments in each area should also be displayed for both categories of trustee.

Association of Member Nominated Trustees co-chair, Maggie Rodger, advocates for public access and that it would be “useful if the chair is identified so that TPR know who their main point of contact is at each scheme”.

She also suggests that the trustee register eventually should hold past appointments, but acknowledges this could take time to build up.

### For and against

Industry experts noted many benefits of a trustee register, including improved governance, transparency, and communication.

Hatcher suggests that with a “more comprehensive trustee register”, TPR would have increased visibility of trustees

and their appointments, which it can use (in conjunction with other information) to consider if good governance is being served.

However, she stresses that “from a regulatory perspective, the register alone is not the only answer but will assist TPR in providing insight to build a picture of service delivery”.

Rodger also highlights the benefit of TPR knowing how many trustees had completed the toolkit and accreditation,

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and also other training programmes, if the register were implemented.

Meanwhile, Forrest Hall says the register “could give TPR improved access to a broader pool of diverse talent to support its work to improve governance.”

“Such a register could also help schemes make more informed appointments, strengthening accountability and supporting greater consistency as the market continues to consolidate,” she adds. “This would all work well alongside mandatory accreditation and regulator-approved standards.”

Despite all the benefits of a central register, arguably, there are also substantial risks. Burnard points out concerns around the register, “creating another tick-box compliance exercise”, rather than a governance tool.

“It’s crucial the register remains a supplementary tool, not a replacement for existing scheme-specific accountability and effectiveness reviews that are fundamental to pension management,” he warns.

Holden warns that data on trustee appointments could lead to “incorrect conclusions”, such as high numbers suggesting experience and overwork or low numbers indicating inexperience. Given this, she advocates for including a note on the register to clarify that it reflects transparency, not capacity or experience.

Rodger also addresses the concern about the number of trusteeships held by individuals, suggesting that a register should track this information.

She notes that some trustees may have excessive appointments, which could hinder effective governance, especially during urgent situations. A register would allow TPR to monitor those with the highest numbers of appointments and help recruiters consider all applicants’ roles when making decisions.

### The current landscape

Given the consolidation and regulatory change the pensions landscape is currently experiencing, the establishment of a trustee register could arguably be seen as a natural next step.

“Consolidation reshapes the landscape, as it increases the need for regulatory visibility of governance roles and capacity. As schemes grow larger and governance roles become more concentrated, the need for enhanced regulatory visibility is crucial,” Burnard says.

“If the balance is right, an accredited trustee register has the potential to raise standards while reinforcing, rather than undermining, the strengths of the trust-based pensions system,” Forrest Hall says.

Ultimately, trustees seem ready and willing to cooperate with TPR on a central trustee register. The DWP consultation presents an opportunity to introduce a central register that could improve transparency, governance and consistency, while ensuring schemes appoint the most suitable trustees.

 **Written by Paige Perrin**