Regional bias
Is the London-centric nature of the pensions industry making it more difficult to attract talent?

Costs
What is driving the increase in running costs and can schemes manage the pressure?

Member support
How much responsibility should schemes take for their members' decisions?

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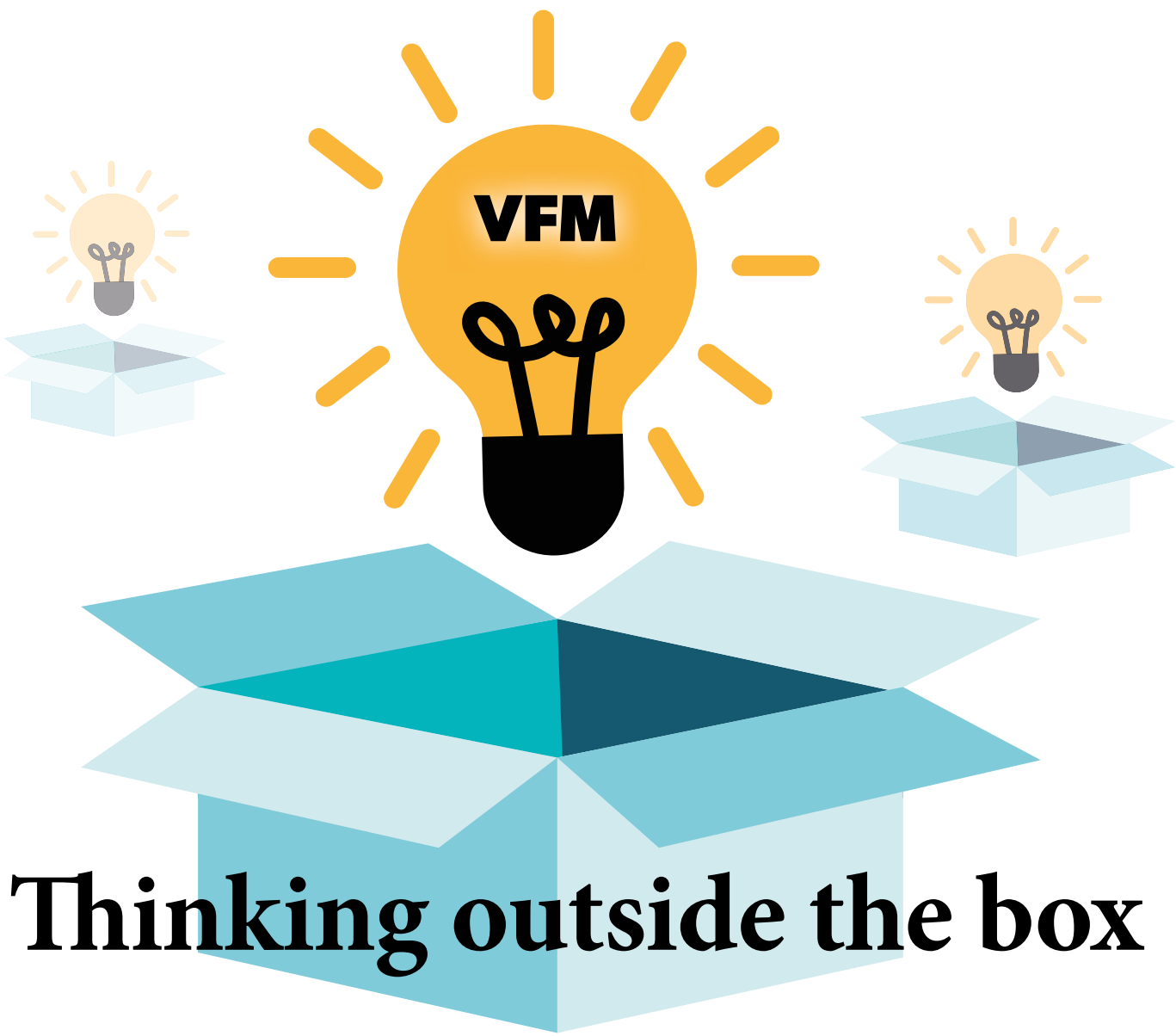
November 2026

PENSIONSAge

The leading pensions magazine

MoneyHelper Dashboard: *The first-hand experiences of industry people testing the MoneyHelper Dashboard*

Interview: *PASA discusses current reforms and the future of pension administration*



Thinking outside the box

How can the VFM framework move beyond box-ticking to deliver genuine value for pension savers?

Case study: How First Bus has separated its DC scheme from its legacy DB scheme



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Editorial Comment

2nd Floor, 5 Maidstone Buildings Mews, London. SE1 1GN

It's rather eerie that I am writing this editorial comment on Halloween, given that 31st October is such a significant date in the UK pensions calendar this year. After years of preparation, anticipation and hard work from across the industry, the deadline for in scope pension schemes to connect to the pensions dashboards ecosystem has finally arrived. Focus will now turn to ensuring readiness in the run-up to the expected launch of the MoneyHelper Pensions Dashboard (Maps) in 2027/28.

Speaking at October's Pensions UK Annual Conference in Liverpool, Maps CEO, Oliver Morley, urged industry to "double-down on readiness", stating it was "vital" that providers and schemes prepare themselves to ensure they can support the service.

User testing is already well underway, of course, and our feature on page 58 offers valuable insight into users' first-hand experiences of the service (mostly positive, some a little scary) highlighting both what's working well and the issues that still need to be ironed out.

This time of year is also significant for another reason, of course – the Autumn Budget, and while there was little to necessarily spook the industry this year, pensions did feature on the agenda, with Chancellor, John Healey, announcing a new Pension Tax Allowance to protect low-income pensioners from paying income tax on their state pension. The news received mixed industry reactions – some welcoming the update, others voicing concerns around its thorny implementation and potential unintended consequences.

The Budget also revealed an important development in the Mineworkers' Pension Scheme's (MPS) ongoing campaign, with Healey announcing that "every penny" of the MPS surplus would go to former miners.

Meanwhile, the Autumn Budget papers confirmed the government's intention to abolish the two-year rule for the taxation of pension and lump-sum death benefits; and also confirmed that retirement-only collective defined contribution schemes, and the introduction of guided retirement, are set to be legislated for in the Finance Bill 2027/28. Read our full Budget update on p10.

All in all, then, a relatively quiet Budget pensions-wise compared to previous years, with most notably an absence of further significant changes to pension tax relief, annual allowances and tax-free cash – a welcome relief for an industry already buried under the implementation of the government's wider pensions reform agenda.

The industry also welcomed the Budget for not introducing "measures that could weaken incentives to save for retirement" – Pensions UK chief policy officer, Zoe Alexander – especially in light of the Pensions Commission's final report which is set to be published in February 2027 (as confirmed by Pensions Minister, Torsten Bell, at the Pensions UK event), with Bell also confirming the government's response to the report would follow quickly in the spring *[read more on p12]*.

Our cover story this month tackles another topic striking fear into the hearts of industry providers – that of the new value for money (VFM) framework. Concerns have long been raised about the regulations being too prescriptive and, again, creating a whole host of negative unintended consequences. Our feature on p52 looks at what can be done to make the new regime less of a nightmare and more of a dream.

We also tackle the frightening issue of rising costs associated with the running of any pension scheme, be that DB or DC, in our feature on page 55 and consider what's driving cost increases, and how they can be managed.

And finally, our investment feature on page 34 revisits one of the most terrifying memories of all for many in the pensions industry: the 2022 gilts crisis. We look at the current state of the bond market and consider whether recent warnings of a repeat of the turmoil have any substance.

So all in all, very few tricks but lots of treats in this issue. Enjoy.



Francesca Fabrizi, Editor-in-Chief

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COVER FEATURE

Theme: Industry issues

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Thinking outside the box

As the new value for money framework takes shape, how can the industry move beyond box-ticking to deliver genuine value for pension savers?

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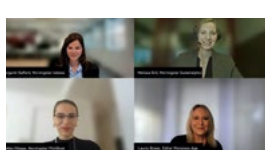
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With UK gilt yields hitting a 28-year high, memories of the 2022 bond crisis are resurfacing. Sandra Haurant explores what's driving the latest market shifts, whether pension schemes should be worried, and what higher yields mean for the future of pension investment strategies

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A new route to retirement **38**

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Unlocking opportunities in securitised credit **40**

Pensions Age editor-in-chief, Francesca Fabrizi, sits down with HSBC Asset Management managing director and head of securitised credit, Andrew Jackson, to discuss the opportunities in securitised credit and its role in investment portfolios today



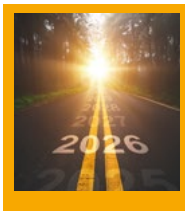
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With MoneyHelper's pensions dashboard now open for user testing, it's little surprise that industry professionals are putting it through its paces. We gather their first-hand experiences and insights as they test the service for themselves



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As in many other sectors, much of the UK's pensions industry is run from London. While there are some other cities where it has a significant presence, is this over-concentration of the industry making it more difficult to attract the talent it needs and to serve pension savers and scheme members effectively?

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Dateline - October 2026

Rounding up the major pensions-related news from the past month



1 October Employee contributions to private sector defined contribution (DC) occupational pension schemes reached £3.2bn in the first quarter of 2026, up by around £600m year-on-year, according to the latest **Office for National Statistics** data.

2 October DC schemes must put investment performance and member outcomes ahead of marginal differences in charges as the industry moves towards a more consolidated system of larger schemes and stronger retirement defaults, **The Pensions Regulator (TPR)** chair, Emma Douglas, said.



5 October The National Audit Office announced it will investigate the transfer and administration of the **Civil Service Pension Scheme** following ongoing service issues since Capita took over the contract in December 2025.

7 October Private sector workplace DC pension assets could rise from around £1.3trn today to nearly £2.2trn by 2046, representing an increase of almost £1trn, according to the **Pensions Policy Institute (PPI)**.

12 October Pensions UK called for a national framework to measure retirement adequacy and an independent body to review both the adequacy threshold and wider pensions system every five years, as part of a package of reforms.



12 October Around three million UK pension pots remain lost, representing an approximate value of £18.7bn and an average pot size of £6,220, the **PPI** found.

13 October The aggregate surplus of UK defined benefit (DB) schemes rose by £7.1bn in September 2026 to £280.7bn, according to the latest figures from the **Pension Protection Fund (PPF)**.

13 October Increasing minimum automatic enrolment (AE) contributions is the "best route" to boosting pension savings and tackling the UK's retirement adequacy crisis, **Pensions Commissioner, Baroness Jeannie Drake,** argued.

14 October Shadow Secretary of State for Work and Pensions, Helen Whately, called on the government to rule out pension tax increases at the Autumn Budget. Whately described the direction of travel ahead of the Budget as "ominous", pointing to recent pensions-related changes to salary sacrifice, inheritance tax, and the triple lock.

14 October Pensions UK argued that there is no evidence to support the wholesale restructuring of the Local Government Pension Scheme, with future reforms needing to prioritise member outcomes over structural change.

14 October Ninety-six per cent of pension records are expected to be connected to the pensions dashboards ecosystem by the 31 October deadline, **Money and Pensions Service** chief executive, Oliver Morley, revealed.

15 October The **Pensions Commission's final report** is set to be published in February 2027, with the government's response to follow in the spring, according to Pensions Minister, Torsten Bell. Addressing the Pensions UK Annual Conference, Bell stated that 2027 was set to be another "really big" year and set out the timeline for how the Department for Work and Pensions was planning to operate over the coming year.

19 October The PPF increased the proportion of its assets covered by carbon footprint metrics to 82 per cent of fund net asset value, up from around 30 per cent in 2020/21, according to its *Sustainability Report 2025/26*.

For more information on these stories, and daily breaking news from the pensions industry, visit **pensionsage.com**



20 October The UK pensions system was ranked 14th in the **2026 Marsh CFA Institute Global Pension Index**, as while recent reforms are expected to improve retirement outcomes over time, challenges with sustainability persist.

20 October The Department for Work and Pensions launched a call for evidence on state pension deferral, aiming to understand the drivers and barriers for people looking to delay their state pension.

21 October The **state pension** is set to increase by 3.9 per cent in April 2027 to £13,036, exceeding the personal allowance of £12,570 for the first time.



21 October TPT Retirement Solutions' run-on DB superfund cleared TPR's assessment process, enabling the provider to bring it to market. The TPT Retirement Solutions Superfund is designed to run on, using a long-term and diversified investment approach to create additional value to be shared with members. TPT confirmed it had secured capital to fund the first £1bn-£1.5bn of transactions and is in active discussions with prospective schemes.

21 October Mansion House Accord signatories held £11.1bn of DC growth-phase assets in UK private markets at the end of 2026, as part of £22.1bn invested in global private markets, according to the Association of British Insurers and Pensions UK.

22 October The PPF confirmed that the levy on conventional DB schemes under its protection will remain at zero for 2027/28, while the Alternative Covenant Scheme levy will be paused for one year.

22 October TPR published guidance outlining its expectations for pension trustees on identifying and managing 'hidden' AI-related investment exposure.

23 October The Work and Pensions Committee urged the government to introduce additional financial support for people unable to work as the state pension age rises to 67, warning that waiting until the government's review concludes in 2029 would be "too late" for those affected.



26 October The government was urged to **legislate now for a phased increase in minimum AE pension contributions** from 8 per cent to 12 per cent during the 2030s, with The Investing and Saving Alliance warning that further delays risked leaving millions of savers facing inadequate retirement incomes.



Editorial credit: Fred Duval / Shutterstock.com

28 October Chancellor, John Healey, delivered his first **Autumn Budget**, which, while relatively quiet on pensions, included several key measures. The government's Budget papers confirmed that retirement-only collective defined contribution (R-CDC) schemes and the introduction of guided retirement are set to be legislated for in the Finance Bill 2027/28. They also confirmed the government's intention to abolish the two-year rule for the taxation of pension and lump-sum death benefits, with the change taking effect from 28 October and being legislated for in the Finance Bill 2027/28. Healey also announced a new Pension Tax Allowance aimed at protecting low-income pensioners from paying income tax on their state pension. In a further measure, he confirmed that "every penny" of the Mineworkers' Pension Scheme surplus will go to former miners, ending the government's longstanding entitlement to half of the scheme's investment surplus.



Editorial credit: Fred Duval / Shutterstock.com

Retirement-CDC and guided retirement framework to be legislated for in 2027/28 Finance Bill

In the Budget, the Chancellor also announced a new Pension Tax Allowance to protect low-income pensioners and confirmed 'every penny' of miners' pension surplus will go to members

Retirement-only collective defined contribution (R-CDC) schemes and the introduction of guided retirement are set to be legislated for in the Finance Bill 2027/28, the government's Autumn Budget papers have confirmed.

According to the documents, the government will make changes to enable the consolidation of defined contribution (DC) pension schemes, alongside the introduction of the guided retirement framework and R-CDC pension schemes.

The changes will include expanding the circumstances in which members can retain certain protections following a pension transfer, while allowing members to transfer from an R-CDC pension into a drawdown arrangement within a specified timeframe.

Separately, the Budget papers confirmed that the government plans to remove the two-year rule for the taxation of pension and lump sum death benefits.

Under the proposed changes, beneficiaries will no longer be subject to tax solely because tax-free pension and lump sum death benefits are paid more than two years after the member's death.

The change will apply to payments made on or after 28 October 2026 and will be introduced through the Finance Bill 2026/27.

"The *[Pension Tax Allowance]* is intended to fulfil the government's previous commitment to ensure pensioners relying solely on their state pension would not face an income tax bill as a result of triple-lock increases"

In his Budget speech, Chancellor, John Healey, announced a new Pension Tax Allowance to protect low-income pensioners from paying income tax on their state pension, as the full new state pension is set to exceed the personal allowance for the first time in April.

Healey confirmed that pensioners with income up to the value of the full new state pension will not pay income tax during this parliament.

The measure is intended to fulfil the government's previous commitment to ensure pensioners relying solely on their state pension would not face an income tax bill as a result of triple-lock increases.

The full new state pension is expected to rise by 3.9 per cent from April 2027, to £13,036.40 a year, above the frozen personal allowance of £12,570.

Without intervention, pensioners receiving the full new state pension as their only income would have faced an annual income tax liability of around £93.

The new allowance is intended to prevent this, ensuring that pensioners on the lowest incomes are not brought into the income tax system solely because of

the state pension increase.

In late September, Prime Minister, Andy Burnham, announced that the state pension triple lock will be replaced with an 'annual double lock' after the next general election, with the earnings link removed from the annual uprating mechanism as part of plans to fund a new National Care Service.

Speaking at the Labour Party Conference, Burnham confirmed that the existing triple lock would remain in place for the rest of this parliament, but would be changed from April 2030 if Labour wins the next general election.

Under the proposed system, the state pension would increase each year by the higher of inflation or 2.5 per cent, rather than the current highest of earnings growth, inflation or 2.5 per cent.

However, Burnham said the state pension would continue to maintain its value relative to earnings over the longer term, "so that pensioners will always share in the rising prosperity of the nation".

Also in the Budget, Healey announced that "every penny" of the Mineworkers' Pension Scheme (MPS) surplus will go to former miners, ending the government's longstanding entitlement to half of the scheme's investment surplus.

Healey confirmed that the remaining surplus would be returned to scheme members, following years of campaigning over the pension arrangements introduced when British Coal was privatised in 1994.

Under the original agreement, the government guaranteed that members' pensions would not fall in value in exchange for receiving 50 per cent of any investment surplus the scheme generated.

Former mineworkers and campaign groups have long criticised the arrangement, arguing that the surplus should be used to improve members' retirement incomes rather than retained by the government.

The latest announcement builds on measures introduced by former Chancellor Rachel Reeves in the previous two Budgets to address what the government described as a "historic injustice" suffered by former mineworkers.

In the Autumn Budget 2024, Reeves confirmed that the MPS investment reserve fund, worth £1.5bn, would be transferred to scheme members.

The move increased annual pensions by an average of 32 per cent for nearly 112,000 former mineworkers and their dependants, equivalent to an additional £29 per week.

As previously reported by *Pensions Age,* members began receiving the increased payments in December 2024.

Reeves later announced that the British Coal Staff Superannuation Scheme (BCSSS) investment reserve would also be transferred for members' benefit.

However, campaigners continued to call for further changes to the MPS surplus-sharing arrangements, arguing that former mineworkers should receive the full benefit of the scheme's investment returns.

The National Mineworkers Pension Campaign had been among those calling for the remaining surplus to be released as soon as possible, with concerns raised that many elderly members could die before receiving further increases.

Meanwhile, speaking at the Pensions UK Annual Conference in mid-October, Pensions Minister, Torsten Bell, stated that some providers have exhibited "really irresponsible behaviour" over speculation of pension tax changes prior to the Budget.

Pensions UK chief policy officer and session chair, Zoe Alexander, noted that some commentators and organisations had speculated that schemes could be forced to invest more in the UK, including via the tax system.

However, Bell quashed the rumours, stating that he had seen some tax speculation that had been unhelpful for pension savers.

"The changes will include expanding the circumstances in which members can retain certain protections following a pension transfer, while allowing members to transfer from an R-CDC pension into a drawdown arrangement within a specified timeframe"

"If I'm really honest, I would say I've also seen some really irresponsible behaviour by people who call themselves pension providers," he continued.

"Which is, for cheap points to get a bit of publicity in the run-up to Budget, producing nonsense that maybe makes them feel good because they look like they are providing a wealth business and they can get coverage in the *FT*, but at the price of scaring people."

Bell said speculating on potential tax changes was misleading, had driven coverage, and had changed outcomes for people.

"I think people working in the pensions industry should understand that we should be rebuilding trust, and that means not choosing cheap routes to publicity and instead trying to build the brand of pensions," he stated.

"Everybody that has written total certainty about X and Y changing have been lying to people for the last few years; they've done a big disservice to the pensions industry. Judge us on what we have done."

Written by Paige Perrin, Jack Gray and Callum Conway

Pensions Commission report expected in February; govt response to follow in spring

Shadow Pensions Secretary warns of 'huge problem' with proposal to raise AE contributions



The Pensions Commission's final report is set to be published in February 2027, with the government's response to follow in the spring, according to Pensions Minister, Torsten Bell.

Addressing the Pensions UK Annual Conference, Bell acknowledged that 2026 had been a "really busy" year, with the Pension Schemes Act being delivered and the state pension triple lock reform announcement.

He stated that 2027 was set to be another "really big" year, setting out the timeline for how the Department for Work and Pensions was planning to operate over the coming year.

Bell confirmed he had asked the Pensions Commission to deliver its final report in February.

"I said to you before early 2027, I meant early," he continued. "It will come in February. The government response is not going to sit there for ages, we will deliver that in the spring.

"By the middle of next year, we will have put the state pension on a sustainable basis and we would have set out the governance approach to making sure that private pension savings are delivering adequate, not just levels of savings, but an adequate private pension system."

He emphasised that these changes were going to require the industry and government to do a lot of work, and thanked those who had contributed and were making it happen.

When asked about the political consensus on the changes, Bell said there was a clear political consensus that things need to change.

"The guy that is now the Shadow Pensions Minister stood up in the House of Commons during the Pension Schemes Act and proceedings, and criticised us for not moving quick enough in terms of what is happening with automatic enrolment," he added.

"So, I have total faith that the opposition front bench will follow through with the logic of that."

Also speaking at the conference, Shadow Secretary of State for Work and Pensions, Helen Whately, questioned where the money would come from to increase minimum auto-enrolment (AE) contributions, stating that it currently feels "incredibly tight" to make changes.

She acknowledged there was a consensus around the concern that the amount people are saving for retirement was not going to be adequate for many.

However, Whately argued there was a "huge problem" with the proposal to increase the default minimum AE contribution due to the cost-of-living crisis.

"I do think there's a huge problem with proposals to increase the default contribution there because of the situation of cost of living at the moment, with the level of bills on the one hand and employers really struggling with costs on the other," she stated.

> **"The government response is not going to sit there for ages, we will deliver [the Pensions Commission report] in the spring"**

"Where would the money come from to do that? I tend to pull back from all of these things and say we've got to get the economy going."

Whately argued that the best way to be able to afford better pension provision was to have an economy that is "firing on all cylinders", with people being paid better and employers having more margin to address the issues.

"Right now, everything feels incredibly tight to make changes," she added.



Written by Jack Gray

Mansion House Accord signatories hold £11.1bn in UK private markets

The total private markets investment represented 6.6 per cent of signatories' DC growth-phase assets, including 3.3 per cent allocated to UK private markets

Mansion House Accord signatories held £11.1bn of defined contribution (DC) growth-phase assets in UK private markets at the end of 2025, as part of £22.1bn invested in global private markets, according to the Association of British Insurers (ABI) and Pensions UK.

The total private markets investment represented 6.6 per cent of signatories' DC growth-phase assets, including 3.3 per cent allocated to UK private markets.

The Mansion House Accord is a voluntary, industry-led commitment coordinated by the ABI, Pensions UK and City of London Corporation to increase investment in private markets.

The 17 signatories to the Mansion House Accord, which include some of the largest UK workplace pension providers, committed to an ambition of investing 10 per cent of DC default fund assets in private markets by 2030, including 5 per cent in UK private markets, subject to their fiduciary and regulatory duties.

Property and real estate was the largest UK private market investment sector at £8bn, including social and affordable housing, followed by infrastructure at £1.3bn, private debt and credit at £0.9bn, and private equity at £0.5bn.

The ABI and Pensions UK said signatories have also agreed deals to invest a further £3bn in UK private markets.

Furthermore, a range of steps have been taken over the past year to increase private market allocations, including forming new asset manager partnerships, establishing private market vehicles or structures, and expanding in-house investment capability through recruitment and training.

> **"It's important that we continue to build a pipeline of credible UK investment opportunities"**

Signatories highlighted the need for further development of UK investment opportunities, government support to address regulatory barriers, and a greater focus on the value investments deliver for savers rather than cost alone.

Commenting on the update, the Right Honourable Lady Mayor of London, Dame Susan Langley DBE, said progress showed a "clear focus" on increasing the investment needed to support UK growth.

"That means backing innovation and scale-ups, as well as investing in the infrastructure and energy projects that underpin our economy," she added.

"It's important that we continue to build a pipeline of credible UK investment opportunities, to turn ambition into action."

ABI director of long-term savings and health and protection policy, Dr Yvonne Braun OBE, said that while progress shows the industry is delivering on its goal to increase investment in private markets, "there can be no room for complacency".

"Sustaining this momentum will depend on a strong pipeline of investable opportunities and a shift across the workplace pension market away from a narrow focus on cost and towards long-term value for savers," she said.

Pensions UK chief policy officer, Zoe Alexander, added that if signatories see that investment opportunities are right for savers, while also supporting UK growth, it's a "win-win".

She continued: "With billions already invested and deals worth a further £3bn already signed and awaiting deployment, the industry is poised to do more.

"Changes facilitated by the government's new value for money framework and greater co-ordination between Whitehall and public finance institutions should help create the conditions to further accelerate private market investment in future."

The accord builds on the Mansion House Compact in 2023, where firms voluntarily committed to allocate at least 5 per cent of their DC default funds to unlisted equities by 2030.

The update revealed that signatories increased unlisted equity investment in DC default funds by 65 per cent in the 10 months to 31 December 2025, from £1.6bn to £2.7bn, with allocations rising from 0.6 per cent to 0.85 per cent, while unlisted equity investment across broader DC assets reached £7.46bn.

Written by Ellie Carric

PPF DB levy to remain at zero for 2027/28

Its Alternative Covenant Scheme levy is also paused for a year

The Pension Protection Fund (PPF) has confirmed that the levy on conventional defined benefit (DB) schemes under its protection will remain at zero for 2027/28, while the Alternative Covenant Scheme (ACS) levy will be paused for one year.

This is the third year in a row that conventional schemes, which are DB schemes with a substantive sponsoring employer, will not be charged a PPF levy, affecting around 4,800 schemes.

The PPF said that pausing the ACS levy for a year would give the pensions lifeboat time to complete its review of the ACS methodology, aiming to ensure a risk-proportionate approach that reflects 'key developments', such as the final form of the government's regulatory regime.

It stressed that the pause did not permanently remove the ACS levy, and any future charging decisions will be informed by market developments and the outcome of the PPF's review.

"Not imposing a levy for conventional DB schemes reflects the PPF's financial position and evidence-based approach to levy setting," said PPF acting chief actuary, Aaron Pang.

"Pausing the ACS levy will allow us to refine the long-term framework for Alternative Covenant Schemes, ensuring it remains risk-proportionate, practical and responsive to market developments while continuing to protect our current and future members."

The PPF also published its response to the consultation on updated actuarial assumptions for section 143 and 179 valuations, which was launched following a review of bulk annuity market pricing.

The primary changes related to discount rates and mortality assumptions to keep them aligned with current buyout pricing.

They are expected to reduce estimated liabilities under the valuation bases, although the impact will vary by scheme.

The PPF said it would implement the proposed assumptions for sections 143 and 179, with a revised effective date for section 179 valuations.

The new section 143 assumptions will take effect from 31 May 2026 and the revised section 179 assumptions will apply to valuations with an effective date on or after 30 November 2026.

Updated valuation guidance will be published by the PPF later this year, following the publication of secondary legislation relating to the Pension Schemes Act 2026, which will detail the date from which section 143, section 179, and similar valuations should include pre-1997 indexation of PPF compensation and how this indexation should be allowed for.

The updated guidance for section 179 assumptions will also specify that, for superfunds assessed by The Pensions Regulator, the financial and mortality assumptions used for section 179 valuations will be those in force for section 143 valuations at the time, aiming to produce a more accurate assessment of liabilities.

This will be relevant to both ACS levy calculations and the default superfund wind-up trigger.

The PPF acknowledged feedback on the purpose and relevance of section



179 valuations, especially while the conventional levy remained at zero, and said it was mindful of the associated costs.

It stated that section 179 valuations remained important beyond calculating the conventional PPF levy, as they are a legislative requirement and provide a consistent measure of funding across the DB landscape, support the PPF's risk assessment and modelling, and inform publications.

The PPF also acknowledged feedback around proportionality and said it would keep it under review.

"We have listened carefully to the points raised by respondents to the consultation, particularly around timing for section 179 valuations," Pang stated.

"Applying the revised assumptions to valuations with an effective date on or after 30 November 2026 will provide more certainty and avoid unnecessary disruption for valuations already in progress.

"For Alternative Covenant Schemes, the combination of a one-year levy pause and a more appropriate valuation approach provides a stable basis while we develop the longer-term framework in consultation with stakeholders.

"Aligning the relevant section 179 assumptions with the section 143 basis will also support a more accurate assessment of superfund liabilities."

Written by Jack Gray

TPT's run-on DB superfund passes TPR assessment

Over half of defined benefit trustees have considered consolidation into a superfund, making it the most frequently explored endgame option, TPT research finds

TPT Retirement Solutions' run-on defined benefit (DB) superfund has cleared The Pensions Regulator's (TPR) assessment process, enabling the provider to bring it to market.

The TPT Retirement Solutions Superfund is designed to run on, using a long-term and diversified investment approach to create additional value to be shared with members.

TPT said it had secured capital to fund the first £1bn-£1.5bn of transactions and is in active discussions with prospective schemes.

This capital is expected to support several transactions, subject to scale, approval, and market conditions.

The superfund has a built-in surplus-sharing mechanism, with its long-term approach aiming to provide access to a wider range of investment opportunities, economies of scale, and greater flexibility.

TPT said the successful completing of the assessment process demonstrated that it had met TPR's requirements to protect members' benefits and support their effective governance.

The provider has also announced its intention to launch the UK's first multi-employer collective defined contribution proposition, meaning TPT will have six different consolidation vehicles, subject to regulatory authorisations.

"This is a landmark moment for TPT and one of the most significant milestones in our history," commented TPT Retirement Solutions CEO, David Lane. "Achieving a successful outcome through TPR's assessment process enables us to bring an innovative new superfund to the market, expanding choice for trustees and sponsors.

"We are incredibly proud of the proposition we've built and the opportunity it creates to deliver long-term security and value for members."

Aretas Trustees partner and TPT Superfund Trustee Board chair, Nadeem Ladha, added: "I am delighted that TPR has positively assessed the superfund following a rigorous and robust submission process.

"We could have three run-on superfunds having passed TPR assessment by the end of Q1 next year"

"Our focus now, as trustees, is on the future and, above all, on members. We look forward to working with TPT to provide a secure long-term home for DB pension schemes, while giving members the opportunity to share in the value created over time."

LCP head of DB consolidation, Laura Amin, said the announcement was "another landmark day" for the superfund market, marking the first run-on superfund to pass TPR assessment.

"Trustees and sponsors will now be comparing and contrasting Clara and TPT superfund across a range of factors, and it will be interesting to see how trustees and sponsors weigh up the different elements of the two models – including TPT superfund's proposed surplus-sharing mechanism with members," she continued.

"Further expansion in the provider landscape is expected with TPR having confirmed there is another superfund in assessment, with the expectation of a further provider shortly to enter the assessment process.

"It is understood that these providers are also operating run-on models and so we could have three run-on superfunds having passed TPR assessment by the end of Q1 next year."

Recent research from TPT Retirement Solutions found that 57 per cent of DB pension trustees have considered consolidation into a superfund, making it the endgame option most frequently explored among those surveyed.

The *DB Trustee Pulse Survey 2026* showed that 50 per cent were considering capital-backed journey plans, while 43 per cent were looking at buyout, 41 per cent DB master trust or multi-trust consolidation, and 28 per cent were considering run-on.

The survey also showed an increase in superfund interest since 2024, when 40 per cent of trustees surveyed said they were considering a superfund transaction, suggesting superfunds had become a more widely considered endgame option over the past two years.

Consideration of superfunds was higher among larger schemes, with 63 per cent of trustees overseeing schemes with more than £1bn in assets under management (AUM) considering a superfund transaction, compared with 49 per cent of those responsible for schemes with less than £1bn in AUM.

Scheme funding readiness was the most frequently cited barrier to wider superfund adoption, selected by 30 per cent of respondents, ahead of understanding of downside protections at 26 per cent, and regulatory certainty and adviser confidence, both at 25 per cent.

Written by Jack Gray and Ellie Carric

News in brief

***Pensions Age* summarises some of the latest news in the pensions industry, including continued activity in the de-risking market, new products and recent mergers**

A changing market



The pensions industry is undergoing significant change, including acquisitions, shifting markets and higher professional standards:

• Independent Governance Group acquired Scotland-based trustee firm ProPensions, strengthening its professional trustee capability and expanding its presence in Scotland.

• Nuveen completed the acquisition of Schroders, creating a combined firm with approximately $2.6trn in assets under management across institutional and wealth channels and operating in more than 40 markets.

• Aon reported that the BPA market continues to be dominated by smaller transactions, with schemes below £100m accounting for 82 per cent of deals (113 transactions) completed in the first half of the year.

• My Pension Expert acquired the client books and associated assets of InterestMe Advisers and InterestMe Financial Planning after the firms entered administration.

• Scottish Friendly completed the acquisition of the pension and annuity in-payment books of business from Fidelity International, covering around 35,000 policyholders.

• JAB Insurance entered the UK pension risk transfer market with the acquisition of Utmost Group's bulk purchase annuity (BPA) business Utmost Life and Pensions. The acquisition will see Utmost Life and Pensions go to market as JAB Pensions.

De-risking momentum continues



The momentum in the de-risking market continued in October:

• The TW Kempton Pension Scheme finalised a £1.5m buy-in with Just Group, securing the benefits of four pensioners and one deferred member.

• Marelli UK agreed to transfer six pension schemes covering over 3,300 members and with a combined value of approximately £250m to Clara-Pensions, the DB superfund.

• Nearly 100,000 members and £2.45bn of assets under management of the Royal Mail Defined Contribution Plan transferred to L&G in the largest transition to a UK DC master trust to date.

• The trustees of the Metallus UK Pension Scheme agreed a £40m BPA transaction with Royal London, securing the benefits of 493 members.

• The FirstGroup Pension Scheme's group section finalised a £90m full buy-in with Aviva Life and Pensions UK, securing the benefits of over 500 scheme members.

• The Biffa Pension Scheme completed a £275m buy-in with Standard Life, securing the benefits of 3,070 members.

• The Welsh National Opera Limited Pension Scheme concluded an £11.1m buy-in with Utmost, securing the benefits of all 158 members of the scheme.

New products



Pension firms are searching for ways to improve their offering. This month was no exception, with several new products launched, including:

• Nest launched a free pension finder service to help its members track down pension savings from previous jobs, amid concerns over the growing number of lost pots in the UK.

• M&G launched the M&G Diversified Private Credit Feeder Long-Term Asset Fund with £74m of initial capital, including investment from its With Profits Fund.

• P1 Investment Management partnered with PIMCO to launch a retirement-focused managed portfolio service for UK financial advisers.

• M&G launched a new insurer-backed run-on solution for DB pension schemes, securing a £400m mandate from an unnamed UK scheme for its Cashflow Driven Investing+ offering.

• AJ Bell Investcentre launched a new offshore bond in partnership with Standard Life, expanding the tax and estate planning options available to advisers and clients. The Standard Life International Bond will be available through an AJ Bell Investcentre General Investment Account.



Pensions UK Annual Conference 2026

Practical solutions to improve outcomes

At the Pensions UK Annual Conference 2026 in Liverpool – the largest in five years, with over 1,500 delegates attending – conversations and sessions looked at how the industry could rise to meet the coming developments and create better member outcomes.

With the Pension Schemes Act in the rearview mirror, focus now turns to the many items on the horizon: the Pensions Commission, dashboards, AI and the DWP's roadmap.

The adequacy equation

Andy Burnham's announcement two weeks earlier about reforming the triple lock was still reverberating around Liverpool as the conference began. It was fitting, then, that adequacy was high on the agenda.

Baroness Jeannie Drake, Torsten Bell MP (still Pensions Minister, providing a welcome continuum amid political change) and Helen Whately MP all agreed that more support is needed to help people in retirement, especially with demographic changes like the rate of home ownership bringing extra costs. Solving these challenges will require trade-offs, something Pensions UK looked at in detail in their latest adequacy report, *The Better Pensions Dividend*.

Whatever changes are made, clear communication and building trust in the system will be vital – Bell noted that around a third of people doubt the state pension will exist in 30 years.

It's all about the member

But those changes will come as part of a swathe of regulation and legislation for a sector already grappling with value for money, local government reorganisation, pooling, DB surplus and endgame and more. Regardless of whether speakers were discussing DC, DB or the LGPS, a common theme was the need for capacity and capability to deliver on a busy roadmap.

And yet, we should remember what all these changes are in aid of: better member outcomes. Katharine Photiou of L&G noted that while policymakers and the industry might think of dashboards, guided retirement and value for money as individual, disconnected projects, they all form one journey for members.

Photiou was not alone in proposing that every intervention should be looked at through the lens of member outcomes, Gavin Perera-Betts of Nest argued that reforms could be delivered so long as the industry, regulators and Government keep the member at the centre. Pensions UK, meanwhile, provided a practical way to do so in their report Outcomes over structures, which looks at how to assess changes in the LGPS.

Pensions, technology and you

AI and technology are reshaping everything, and the conference was ready for it, with practical sessions to help attendees get to grips with dashboards partial matches and cybersecurity, while TPR also unveiled their new AI dynamic guidance and Pensions UK published its guide for how the sector can embrace AI responsibly.

With people already using AI to help them make decisions about their pensions and retirement, the industry needs to get ahead of the trend. Responsible AI use could make pension communications more accessible, responsive and personal, but trustees must remain in the loop and retain accountability to manage the risks of inaccurate responses, bias and cybersecurity.

Time to deliver

The Pensions UK Annual Conference is always a good time to check the industry's mood. Last year, we were all discussing the Pension Schemes Bill, mandation seemed to be on everyone's lips and everyone was talking about influencing decisions.

While some of the headlines this year might have been the same – value for money, DB endgame, AI – the rest of the story is one of readiness and intent. The leaders and experts on the stages, and the delegates in the exhibition hall all showed a pensions sector ready and willing to move from discussion to practical action.

What will be the mood next year?

Save the date for Annual Conference 2027, 12-14 October in Manchester.

Appointments, moves and mandates



Liam McGrath

Festina Finance has appointed Liam McGrath as its first UK CEO.
The appointment comes as the European provider of pension administration technology enters the next phase of its growth and long-term investment in the UK market. McGrath joins from Procentia, where he was group CEO, having previously held senior leadership positions including group chief operating officer and CEO EQ digital at Equiniti Group. Alongside McGrath's appointment, Dan McLaughlin, who has led Festina Finance's UK market development since its launch, will become chief strategy & revenue officer, supporting the company's wider growth strategy and commercial development.



Jo Tyler

Aptia has appointed Jo Tyler as its UK chief operating officer.
Tyler joins Aptia from Mercer, where she served as chief operating officer and a member of the UK Executive Leadership Team. Her career spans pensions administration, consulting, governance and operational leadership. She also held several senior pension administration roles before joining Mercer in 2009. In her time at Mercer, Tyler served as a trustee director of the Marsh & McLennan Companies' UK Pension Fund and played a role in the creation of the Mercer Master Trust. In her new role at Aptia, she will oversee the firm's operational strategy and delivery and will also support the continued growth of the business.

Nest has selected Wellington Management to manage a £3.5bn mandate aimed at enhancing its emerging markets equity strategy.
Following an internal review, Nest is moving its emerging markets equity allocation to an active, fundamental, discretionary approach, allowing for more selective investment in companies with strong growth prospects. The move intends to enable more selective investment in companies with robust environmental, social and governance (ESG) practices and strong growth potential. The new strategy is expected to hold between 100 and 150 stocks, providing broad diversification across several countries and sectors. This more focused approach, combined with analyst-led and regionally informed stewardship, Nest believes will provide deeper, on-the-ground understanding of emerging market companies.



Jonathan Camfield

Law Debenture has hired Jonathan Camfield as chair of pensions.
In this newly created role, Camfield will support the strategic development and continued growth of Law Debenture's pensions offering. He joins the firm after more than 25 years as a partner at LCP. In this role, Camfield advised a range of organisations on pension risks and also played a significant role in LCP's development and growth. As chair, Camfield will work closely with Law Debenture's senior leadership teams to help shape its pensions strategy. Commenting on the appointment, Law Debenture CEO, Denis Jackson, said Camfield's insight and extensive industry relationships will be a "real asset" as the firm looks to the next stage of growth for its pensions business.



Christopher Wheeler



Julia Yates

The Association of Professional Pension Trustees (APPT) has announced that council members, Christopher Wheeler and Julia Yates, have been appointed as co-chairs.
Wheeler and Yates succeed APPT current chair, Rachel Croft, and current vice chair, Vassos Vassou, who have both completed their terms as council members. Wheeler is an accredited professional pension trustee and experienced scheme chair, with more than 15 years of trusteeship experience and a 30-year executive career spanning international banking, finance, human resources, mergers and acquisitions, risk and governance. He has served as a professional trustee with BESTrustees Limited since 2016. Meanwhile, Yates is an accredited professional pension trustee at Vidett, acting as chair, co-trustee and as part of sole trustee teams across a range of benefit structures, scheme sizes, funding levels, covenant strengths and journey plans. She is also chair of Vidett's Trustee Oversight Board. She has over 20 years of experience in pensions, governance and advisory roles. Before becoming a professional trustee in 2019, she led PwC's covenant practice in the Midlands. The appointments became effective on 21 October following the APPT's annual general meeting. In addition to these appointments, the APPT's annual general meeting saw two new members – Dalriada director, Amanda Banister, and Independent Governance Group trustee director and chief risk officer, Kate Hardingham, join the council.


Karen Hill


David Parker


Tyrone Samuel


Chris Dawson

The Pensions Administration Standards Association (PASA) has appointed four senior colleagues from Local Pensions Partnership Administration (LPPA) to various roles. LPPA head of risk and governance, Karen Hill, has joined PASA's Industry Policy Committee, while its director of member services, David Parker, has joined the Public Sector Working Group. LPPA head of data and employer engagement, Tyrone Samuel, has joined the Pensions Data Working Group and head of marketing and communications, Chris Dawson, has joined the Engagement and Communications Working Group. This announcement follows the appointment of LPPA chief executive officer, Jo Darbyshire, as PASA board director in 2025. Commenting, Darbyshire said: "It's great to see David, Karen, Tyrone and Chris join PASA. PASA plays an important role in bringing the industry together to address common challenges and drive positive change."

LCP has been reappointed as the National Housing Federation's strategic pensions partner following a competitive tender process.
The reappointment builds on three years of work supporting housing associations through webinars, conference sessions, briefings and sector research. The next phase of the partnership will focus on issues including the implications of the Verity court case, improving funding positions, legacy pension liabilities, DC reform, collective DC (CDC) developments and the next Local Government Pension Scheme (LGPS) valuation cycle. LCP partner, Tim Gilbert, warned that pensions remained a "material strategic issue" for housing associations, adding that LCP would continue to help members understand risks, act on opportunities and make decisions aligned with their wider social purpose.


Peter Smith

TPT Investment Management, the investment management arm of TPT Retirement Solutions, has appointed Peter Smith as chief investment officer. Smith will also become a member of the TPT Retirement Solutions Group Executive and join the board of TPT Investment Management. Smith joined TPT in October 2008 and has played a key role in the development and growth of TPT's fiduciary management unit. His appointment comes as TPT has cleared the regulatory assessment for its defined benefit (DB) superfund and is working towards authorisation as the UK's first multi-employer collective defined contribution (CDC) scheme.


Stuart Baldwin

GLIL Infrastructure has appointed Stuart Baldwin as an independent investment committee member. Baldwin brings more than 25 years of experience in infrastructure investment and board-level governance. Most of his career has been spent at GIC. He became the first member of its infrastructure team in 2005 and went on to lead the business as global head of infrastructure. Baldwin has also held non-executive roles at several major infrastructure businesses, including 18 years on the board of Heathrow Airport and also served as director at Yorkshire Water, Budapest Airport, Terminal Investment Limited and Storegga. He will also sit on GLIL's Investment Committee.


Jenny Lewis

Jenny Lewis has been appointed as LGPS Central's general counsel.
Lewis has worked at the company since 2019 and previously served as head of legal. She has over 20 years of pensions, legal and governance experience and has worked with clients in the Local Government Pension Scheme (LGPS) sector throughout her career. Before joining LGPS Central, she worked at Gowling WLG as a director in its pensions team, where she specialised in public sector pensions. In her new role, she will lead LGPS Central's growing legal and governance team. The appointment is part of a planned evolution of LGPS Central's senior structure, designed to support the organisation's continued growth and development.



VIEW FROM TPR: Time to act

At the Pensions UK Conference last month, it was great to have the opportunity to engage with so many in the pensions industry on pensions reform.

While there was debate about implementation, there was one clear point of agreement: We must turn our ambition into action.

Forty-three per cent of UK working-age people are heading for an insecure retirement. We need to change that.

My message to trustees in a recent speech was simple: Act now.

Schemes that prepare early are best placed to deliver for their members. Don't wait for every rule to be finalised before acting. For DB, that means deciding an endgame. With a broad range of options for endgame, trustees should decide now on their scheme's long-term objective, in the interest of members.

For DC schemes, trustees should think about whether they have the capabilities to deliver the value for money framework and good default retirement options.

Whether trustees decide to consolidate or go it alone, effective governance is key. We are supporting trustees with a clear roadmap for reform and committing to no-surprises regulation: Setting clear expectations, engaging early and tackling problems before they grow.

The ambition is there. Now we need to turn it into better outcomes for millions of members. It is time to act.

TPR chief executive, Nausicaa Delfas



VIEW FROM PENSIONS UK: Sometimes a quiet Budget is exactly what pensions need

For the pensions industry, this Budget was notable for what it did not contain.

Our industry already has a substantial reform agenda, from consolidation and investment reform to Guided Retirement, Retirement CDC and the next phase of the adequacy debate. Government has confirmed further work on Guided Retirement and Retirement CDC.

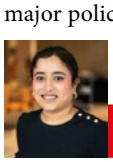
Against that backdrop, stability matters. Schemes and providers need the space to implement change well, rather than continually adapting to another wave of major policy announcements.

That does not mean the Budget was devoid of pensions measures. We welcomed the new Pensioner Personal Allowance, which will protect around a million people with incomes at or below the state pension from paying income tax. There were also sensible changes to the tax treatment of lump-sum death benefits. Changes to the terminal illness definition will also make it easier for people to access their pension savings.

For investment, additional capital for the National Wealth Fund and British Business Bank could help create more investable opportunities, provided projects are developed at sufficient scale and investment remains commercially led and consistent with fiduciary duties.

The task now is delivery. The pensions industry has an unusually full implementation pipeline. A period of policy stability gives us the best chance of turning those reforms into better outcomes for savers.

Pensions UK executive director of policy and advocacy, Zoe Alexander



VIEW FROM THE PMI: Closing the pensions skills gap

A year ago, the PMI launched its Development Partnership programme, to make professional development easier to access while helping employers build the skills their organisations need for an increasingly complex pensions landscape. One year on and the response has been extremely encouraging.

Seven large employers, representing more than 4,000 staff members and serving millions of savers, have already signed up. Some of these are creating structured qualification pathways for new entrants, while others are investing in specialist expertise and the development of experienced teams. What unites them is a commitment to raising standards and strengthening capability across the sector at a time when schemes are consolidating, governance expectations are rising and professionals are responsible for increasingly significant retirement assets.

That commitment is reflected in the organisations that have joined the programme, from consultancies and administrators to master trusts and local authority pension funds.

With PMI membership now exceeding 11,000, demand for recognised professional development continues to grow. As regulation, technology and consolidation reshape our industry, the need for skilled, confident pensions professionals will only increase.

Raising standards is not a one-off exercise. It is an ongoing investment in the future of our profession and the savers we serve.

PMI chief customer officer, Varsha Gicas

For professional clients only

The best trustee boards won't emerge by accident

Why succession planning and recruitment are becoming vital governance tools

The best trustee boards of the future will not emerge by accident. They will be deliberately shaped through succession planning, recruitment and a clear view of the skills, perspectives and behaviours needed to govern increasingly complex pension schemes.

In our experience, many schemes continue to approach member-nominated trustee (MNT) recruitment as a process: A vacancy arises, applications are invited and an election or selection follows. But recruitment is an important opportunity for a board to reshape its future decision-making capability.

From filling a vacancy to designing a board

The traditional question has often been: "Who can fill this trustee vacancy?" but a better question may be: "What kind of board will this scheme need in five years' time?"

That distinction matters. Alongside funding and investment, trustee boards must now navigate endgame planning, guided retirement, cyber risk, data governance, artificial intelligence, as well as operational resilience and member communications.

Against that backdrop, recruitment should not simply replace one trustee with another. It should help the board think deliberately about its future composition.

The self-selection problem

Many schemes worry about a shortage of willing candidates and in some cases, that may be true. But they may also have a self-selection problem.

Some strong candidates may rule themselves out before they apply. They may assume that trustees need to be pensions experts, senior employees, finance professionals or people nearing retirement. They may worry that they lack the right background, technical knowledge or confidence to contribute.

Yet these individuals may offer exactly what modern boards need – qualities such as curiosity, judgement, constructive challenge, digital awareness and member insight. Recruitment communications that focus too heavily on legal duties and process may discourage them from applying.

Recruiting for potential, not just experience

While technical pensions knowledge matters, it can also be developed through training, adviser support and practical experience. Other qualities are harder to teach.

For example, a trustee who is curious, thoughtful and prepared to ask the 'obvious' question can be hugely valuable. As can someone who understands how members engage with information, how technology is changing expectations, or decisions land with people outside the boardroom.

Alongside financial, legal and investment expertise, future boards may need greater strength in communications, digital technology, data, operational resilience and stakeholder engagement.

Learning from executive recruitment

Few organisations would recruit a senior leader by issuing one communication and waiting for responses. They would consider future needs, define selection criteria and provide support for the chosen individual to thrive. Trustee recruitment deserves similar thought.

This means linking recruitment to skills audits, board effectiveness reviews and succession planning. Communications should help candidates see themselves in the role, explain the support available, the time commitment and the value to the individual as well as to the scheme.

It also means recognising that recruitment is an ongoing process. Awareness, confidence-building, application, selection, appointment and onboarding all matter.

A governance opportunity

The strongest trustee boards are unlikely to be those that simply wait for candidates. They will actively consider what capabilities they need, how they will attract a wider range of people and how they will support new trustees. MNT recruitment should therefore be seen not just as a compliance exercise, but as part of the board effectiveness toolkit.

The next generation of trustees is out there. The challenge for schemes is not only to find them, but to design recruitment processes that encourage them to recognise the value they could bring.



Written by Aon partner, Michelle Burgess

In association with AON



VIEW FROM THE AMNT: Enhancing MNT roles, enhancing pensions

What do First Bus drivers, police and civil servants have in common? Answer: Gold-rated pensions.

Who'd have thought a process of cultural change could have such a transformational effect on a no-frills pension scheme, or that MNTs could find new creative ways to benefit their members?

First Bus prides itself on being best in class and although pensions is not their business, they applied the same degree of strategic thinking to the issue of members not saving enough with an innovative approach: creating a more participatory role for MNTs, including visiting members' workplaces and bringing professional advice about the make-up of the workforce into board decisions.

MNTs are criticised for a perceived lack of professionalisation, rather than for the nature of their role. Passing an exam does not make an MNT more effective. What does is structural and cultural change in the role MNTs play within the company and on the board.

First Bus has proven, if you lack employee engagement in pensions, (1) enhance and support the role of MNTs not only in the boardroom but also in the workplace; (2) amplify the member profile in boardroom discussions by employing professionals who understand the profile of your workforce. Try this and you'll be surprised how engaged your workforce can become.

AMNT member, Arlene Mitcham

AMNT Association of Member Nominated Trustees



VIEW FROM THE ABI: Mansion House Accord

The first year of reporting for the Mansion House Accord offers positive signals, with signatories investing £11.1 billion of growth phase assets into UK private markets. This shows strong progress towards the Accord's ambition, with signatories collectively at 3.3 per cent of the 5 per cent goal of UK private market allocations.

Signatories have invested £8 billion in UK housing and real estate, including social and affordable housing, a key driver of economic growth and productivity. This reflects the strong pipeline of investment opportunities in property as the UK combats its housing crisis. Property investment also offers a variety of access vehicles, diversification, and beneficial cost disclosure rules for physical assets.

Costs remains a barrier for investments in other asset classes, including private equity, venture capital and infrastructure. We expect the FCA to align its charge cap rules with DWP's soon, making it easier for GPPs to use funds with performance fees. But the bigger challenge will be the continued focus among employers and intermediaries on keeping costs as low as possible.

Firms have concluded that private markets are worth the increased effort and cost, but the rest of the value chain isn't convinced. Some firms face a trade-off between meeting the price expectations of intermediaries and recognising that, regardless of the benefits, higher fees could result in less business at a time when they must hit a certain AUM to stay in the game.

ABI long-term savings policy adviser, James Wilson

The ABI



VIEW FROM THE PPI: The pensions cost of caring

In a household, decisions may be taken together, with family members taking on different roles in the interests of the family as a whole.

Caring responsibilities are central to this. Women remain more often the primary caregiver and typically reduce their working hours or spend time out of employment when caring responsibilities increase. Among opposite-sex couples, even where mothers earned more than fathers before childbirth, mothers commonly reduce their working hours afterwards. Reduced hours mean lower earnings, which in turn means less money being paid into pensions.

Lower individual pension saving can become particularly important if household circumstances change. Following divorce, pension assets might not be divided equally, leaving the partner who was caring with lower pension provision. After bereavement, household income may fall sharply if the deceased partner's pension does not provide adequate survivor benefits.

These patterns are an important part of the gender pensions gap, as highlighted in our recently published report. Caring arrangements may be the best solution for a household at the time, but their pension consequences are most sharply felt for an individual. Ultimately, a holistic approach needs to consider pensions policy alongside childcare, employment, pay, and wider support for carers.

PENSIONS POLICY INSTITUTE PPI

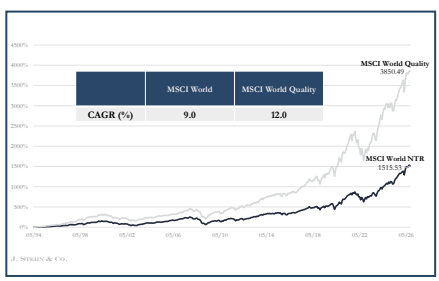
PPI senior policy analyst, John Adams

High-quality global equities

Chris Rossbach makes the case for investing in quality after recent underperformance

Investing is rarely smooth or linear. Market cycles come and go, tempting investors to chase themes or abandon long-held convictions. With all eyes having been on the AI trade, and with significant dislocations occurring as first or second order effects of the Middle East crisis, many fundamentally strong quality businesses have been overlooked and left undervalued. It is easy to forget that quality investing has outperformed global markets for decades, delivering more than 2.5 times the broad market return over the past thirty years. That is why, for quality-focused long-term fund managers like us, patience and conviction are key. Discipline and sticking to time-tested fundamentals deliver long-term results, no matter how tempting it may be to change tack.

MSCI World Quality & MSCI World NTR Index (1994–2026)



Source: FactSet, MSCI. Time period – 31st May 1994 to 30th September 2026. Index returns in USD.

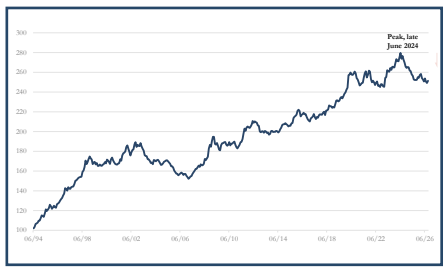
Investing in quality means selecting companies with enduring competitive advantages. They generate high, stable returns on capital and compound them over time. These businesses have well-known brands, genuine competitive moats, strong balance sheets and experienced management teams that allocate capital effectively, prioritising long-term returns for shareholders rather than scale or short-term imperatives.

Quality companies typically have lower debt levels, strong cash flows and resilient business models that help protect them during adverse market conditions. Many have a global footprint that enables them to shift supply chains and adapt sourcing in ways that smaller, less diversified competitors cannot. Quality companies not only survive geopolitical and economic disruption – they often exploit it, seeking accelerated organic growth or value-creating M&A when weaker competitors are forced to retrench.

At J Stern & Co., quality is not a marketing label. It is a non-negotiable filter at the heart of our investment process. Every company must satisfy our quality criteria before we invest a single pound or dollar. As the saying goes, it is about time in the market, not market timing. Companies with structural advantages and financial resilience are better positioned to avoid permanent capital loss through adversity – and protect the compounding engine over the longer term. We find and invest in 25–30 of these businesses across digital transformation, industrials, healthcare & life sciences and consumer.

History is instructive. After the most severe comparable dislocations, in 1999, 2003, 2009, 2020 and 2022, quality delivered strong outperformance over the following 12 to 24 months as fundamentals reasserted themselves. The periods in which quality has underperformed have consistently been the greatest moments in which to invest for subsequent outperformance.

MSCI World Quality vs MSCI World NTR Index, rebased (1994–2026)



Source: FactSet, MSCI. Performance period 31st May 1994 to 30th September 2026. Index returns in USD.

Our portfolio today has EBIT margins of over 30%, high returns on capital, strong balance sheets and forecast earnings growth of 16% a year in 2027 and 2028, all well ahead of the broader market. Yet the valuation premium we pay for these characteristics is at a ten-year low.

We recognise there remains much uncertainty around global conflicts, the pace of the AI build-out and the trajectory of inflation and interest rates.

If conditions deteriorate, we believe our companies will prove resilient because of their quality and valuations. However, when some or all of these issues resolve, investors will look for growth, recovery and valuation upside, and we are confident they will find them in our companies rather than in the cyclical semiconductors, banks and energy stocks that have led markets over the past two years.



Written by J. Stern & Co CIO, Chris Rossbach

In association with J. Stern & Co. Investing in Quality for the Long Term



VIEW FROM THE PPF: The physical risks investors cannot afford to overlook

Some investment developments are cyclical; others alter the assumptions on which investment decisions are made.

Two shifts increasingly fall into the latter category: The growing role of private assets in institutional portfolios and the rising physical risks due to climate change.

Private assets have moved from specialist allocations to a core part of mainstream portfolio construction. At the same time, the physical environment in which those assets exist is changing. So, how can investors maintain an understanding of risk as portfolios become more exposed to assets with less consistent disclosure, while physical risks become more material?

Traditional due diligence and risk assessment increasingly need to be supplemented by analysis of how transition and physical climate risks affect individual assets and portfolios today and over time.

At the PPF, this thinking has informed the extension of our Transition & Sustainable Assets Framework to £6.8 billion of private market asset classes. We have also partnered with MSCI to assess the climate hazard exposure of more than 340,000 physical asset locations owned by companies in our public equity portfolio.

Good risk management is not about perfect foresight. It is about continually improving the questions we ask, the information on which decisions are based, and our understanding of how a changing physical world could translate into financial risk.

Pension Protection Fund

PPF head of ESG and sustainability, Claire Curtin



VIEW FROM PASA: Pensions administration for CDC schemes – what can we learn

The framework for unconnected multi-employer CDC schemes is now in place. While the first of these schemes have yet to be authorised, work is under way. This is the right time to ask what good administration will require.

PASA's CDC Focus Group has spoken to those administering CDC schemes in the UK and overseas about the practical challenges. Scheme design will shape many of the answers, but their experience offers useful lessons for those preparing to enter the market.

One message came through clearly: CDC needs to be understood on its own terms. Individual features may look familiar to administrators of defined benefit or defined contribution schemes. Together, though, they create different demands for systems, processes and member communications. Language matters particularly. Members need clear explanations of how their scheme works, including how their benefits may change, using terms which fit the arrangement rather than familiar labels which could mislead.

Administration must follow the scheme's design, with reliable data supporting it throughout. This means testing how processes work together before the first members join, and making sure administrators can deliver what communications promise. Getting these foundations right from day one will help schemes build confidence and give members a clearer understanding of their pension.

PASA assess | aspire | achieve

PASA board director, Ian McQuade



VIEW FROM THE ACA: Protecting the state pension for future generations

The state pension provides essential protection to mitigate the risk of poverty in later life. Preserving that depends on maintaining a sustainable, affordable and credible system for both today's pensioners and future generations.

It is essential that people remain confident the state pension will be there for them when they retire. Without reform, costs look set to increase pressure either to raise the state pension age or introduce means testing. These outcomes feel undesirable: One could require people to work longer, the other could weaken universality and discourage private saving.

By announcing plans to adjust the triple lock from April 2030, Prime Minister, Andy Burnham, has taken on one of the most politically sensitive issues in UK pensions policy.

Only time will tell whether the adjusted triple lock strikes a good balance between supporting retirement incomes and ensuring the state pension remains sustainable.

It could well lead to a more sustainable state pension system if it means pensioners remain protected against rising prices without the state pension persistently rising faster than wages. Such increases could undermine affordability and risk those entering the workforce today questioning whether it'll be there for them when they retire.

Success will ultimately be measured by whether the state pension provides a dependable level of income that supports dignity in retirement for current and future generations.

ACA chair, Chintan Gandhi

ACA ASSOCIATION OF CONSULTING ACTUARIES

Targeting security

Matt Kohler-Richards discusses how trustees targeting funding at buyout level are keeping their options open – and maximising member security



Deciding on a funding strategy for a defined benefit (DB) scheme can appear complicated as trustees and sponsors consider a growing range of endgame options. But every assessment should begin with one very simple question: how will the security of members' pensions be maintained?

DB schemes, after all, exist to provide members with their pensions. Member security should therefore always be ground zero for decisions around endgames. Those decisions start with funding.

There are, of course, different approaches to funding. But when member security is the starting point, the result is clarity around the decision-making process. Fundamentally, a scheme funded to buyout has the strongest set of options in front of it: It can insure, run on or consider releasing surplus in a controlled way. Funding at buyout level keeps those options available and gives trustees the ability to secure benefits if circumstances change. With many schemes having reached the position of being in surplus (often after a long and difficult journey), it is critical for members that surplus is protected. Buyout of course, fully secures that surplus.

Buyout remains the gold standard for member security because it replaces covenant, investment, governance and operational risks with a regulated, durable outcome. Alternative endgames may be appropriate in certain circumstances, but trustees should assess every option against the same question: does it improve or weaken member security? That means testing covenant, liquidity and investment risks under credible downside scenarios before pursuing an alternative endgame or releasing surplus.

From that foundation, trustees should define their objectives and consider how their chosen partner will deliver them. Price, insurer strength, covenant replacement, execution certainty and member experience should be assessed as a complete package.

In our experience, this process often demonstrates the power of buyout: A regulated, market-tested solution that secures members' benefits and provides clarity over the risks being transferred. However, price is only part of the decision. Trustees also need to partner with an insurer with the transition capability to deliver the agreed outcome and support members throughout the journey.

It is sometimes argued that targeting buyout-level funding somehow ties trustees' hands or limits their options. In fact, the opposite is true. A strong funding position allows trustees to make decisions from a position of strength, with a clear understanding of the cost of securing members' benefits.

Surplus release could then be considered by trustees. My concern is that allowing extraction at low-dependency funding could remove capital before members' benefits are adequately protected, especially in volatile market and economic conditions.

PIC's purpose is simply to pay the pensions of our current and future policyholders. That purpose keeps policyholders and the debate around endgame solutions grounded in the only outcome that matters: paying the right pension to the right person, at the right time, for life.

The security of members' pensions should always be paramount. By targeting buyout-level funding, trustees preserve the full range of options and create the strongest platform for their decisions. Alternative solutions may suit particular circumstances, but when trustees put members first and test those alternatives against the objective benchmark of buyout, the combination of security, certainty and service offered by the insurance sector remains the gold standard for most schemes.



Written by PIC head of origination structuring, Matt Kohler-Richards

In association with PIC

Diary: November 2026 and beyond

Pensions Age Awards 2027
23 February 2027
Grosvenor House Hotel, London
The 14th annual Pensions Age Awards celebrate the very best in the pension industry, recognising innovation, dedication, and excellence. They honour the schemes and providers demonstrating outstanding performance, resilience and leadership in an increasingly challenging economic climate. Open to all UK pension schemes and provider firms, the awards offer a prestigious opportunity to showcase their achievements.
pensionsage.com/awards

Pensions UK Investment Conference
9-11 March 2027
EICC, Edinburgh
The Pensions UK Investment Conference is a long-running specialist forum for investment debate, bringing together experts and decision makers to explore the trends, challenges and opportunities shaping the pension landscape. From market developments to regulatory changes, the conference offers a trusted platform for insight, knowledge-sharing, and valuable professional connections.
pensionsuk.org.uk/events/conferences

Dutch Pension Awards
April 2027
Amsterdam
Returning for a second year following its successful launch in 2025, these awards aim to celebrate those companies, organisations and firms who have demonstrated excellence in their service to pension funds in the Netherlands. Entries are accepted in English or Dutch, and entrants can submit applications in several categories. The event will be held in Amsterdam in English due to the international nature of the audience.
europeanpensions.net/nederlandawards

European Pension Awards
1 July 2027
London Marriott Hotel, London
Established to recognise the investment firms, consultancies and pension providers that demonstrate the highest professional standards, the European Pension Awards celebrate the organisations making a meaningful contribution to the effective management, development and long-term success of European pension funds. The awards are free to enter and open to any pension fund or firm that serves European pension funds.
europeanpensions.net/awards

Visit www.pensionsage.com for more diary listings

Don't forget...

DWP's consultation on small pots closes

17 November 2026

The Department for Work and Pensions' (DWP) consultation on 'Small Pots: a pathway for consolidation' closes.

gov.uk/government/consultations



VIEW FROM THE SPP: LGPS valuations

The 2025 LGPS valuations have again highlighted a fundamental truth: Assumptions are essential but are not guarantees.

Actuaries rely on assumptions about inflation, longevity, investment returns and other future events to assess funding positions and set contribution strategies. Yet, history proves reality can diverge significantly from carefully considered expectations.

Recent years have provided plenty of examples. High inflation, market volatility and major policy developments have all challenged assumptions made at previous valuations. This is precisely why valuations are undertaken every three years, allowing funds to review experience, reassess assumptions and adapt to changing conditions.

A key area of misunderstanding remains the role of discount rates. Discount rates are not forecasts of future investment returns. Instead, they represent long-term target returns linked to a chosen level of prudence and funding strategy. Understanding this distinction is vital when interpreting valuation outcomes.

Similarly, probabilities and modelled success rates should not be viewed as promises. They are valuable tools for understanding uncertainty and testing the resilience of funding strategies.

The role of the fund actuary is not to predict the future, but to help LGPS funds make robust long-term decisions. By recognising uncertainty and managing expectations, funds can develop funding strategies capable of withstanding the surprises that reality inevitably delivers.

THE SOCIETY OF PENSION PROFESSIONALS

SPP member, Chris Morton

Soapbox: Handbrake off



In football, there's a popular metaphor used by pundits, managers and fans: Taking the handbrake off. It typically means abandoning caution, throwing players forward, and embracing a more attacking approach to win the match.

After attending the Pensions UK Annual Conference in Liverpool, I left with the feeling that, in a way, the pensions industry is being encouraged to do something similar.

With a raft of reforms moving from policy discussion to implementation and delivery, the message from government and regulators is clear: it's time to get on with it.

Pensions Minister, Torsten Bell, was characteristically direct in his keynote speech, confirming that the Pensions Commission's final report would arrive in February 2027, followed swiftly by the government's response in the spring.

Meanwhile, The Pensions Regulator (TPR) chair, Emma Douglas, was equally forthright when asked about schemes struggling to keep up with the scale and pace of the reforms.

"We will have sympathy for that, but equally, we have to get this done," she said.

"Don't wait for all the final details. We need to get this started."

Going further, Douglas suggested that schemes unable to meet the demands of the reforms may need to reconsider their future.

In other words, the handbrake is coming off, whether schemes are ready or not.

For many, this urgency will be welcome.

The government's self-described "biggest pension reforms in a generation" have been a long time coming, and there is no doubt that significant change is needed.

With millions undersaving for retirement, an ageing population and persistent concerns over pensions adequacy, the industry cannot afford to stand still.

But while the direction of travel is broadly supported, the speed at which the industry is being asked to move raises some uncomfortable questions.

Take the proposed value for money (VFM) framework, for example.

People's Partnership CEO, Patrick Heath-Lay, warned during a conference session that the prospect of receiving a poor rating could make it "too tempting" for pension providers to submit misleading data.

Meanwhile, BNY head of UK workplace and senior vice president, Nico Aspinall, voiced concerns that the framework's emphasis on investment performance comparisons could have unintended consequences.

He suggested that schemes adopting more cautious investment strategies to provide retirement income could receive poorer ratings than those pursuing greater equity exposure, despite potentially delivering more appropriate outcomes for members.

And VFM is just one piece of the puzzle.

Under the Pension Schemes Act 2026, trustees of defined contribution (DC) schemes will also have to provide default guided retirement solutions, intended to help members turn their pension savings into a sustainable income.

Yet, research from the Behavioural Insights Team (BIT) shows that some potential designs could expose millions of retirees to financial losses.

It found that retirement solutions requiring members to stay actively engaged later in life risk being neglected as inertia grows and cognitive abilities decline.

This could leave savers withdrawing too much or too little from their pensions, and exposed to inflation and inappropriate investment decisions.

Of course, none of this is an argument against reform; both VFM and guided retirement have the potential to deliver meaningful improvements for millions of savers.

But surely that makes getting the details right more important?

There is also the question of whether schemes have the resources, systems and data needed to deliver everything being asked of them, particularly when so many changes are being introduced within a relatively short period.

The government and TPR have made clear that they recognise these pressures, but their overriding message remains one of urgency.

And while I admire that determination, I can't help wondering whether allowing a little more time to iron out the problems now might save considerably more trouble further down the line.

Because ultimately, it won't be ministers or regulators who bear the consequences of poorly implemented reforms – it will be pension savers.

In football, taking the handbrake off can produce spectacular results. Teams attack with freedom, create chances, and often score more goals.

But if you throw too many players forward without the right structure, you risk leaving yourself dangerously exposed at the back.

The pensions industry needs to move forward quickly. But as the handbrake comes off, let's hope nobody forgets the importance of a solid defence.



Written by Callum Conway



SCOTTISH WIDOWS

Robert Cochran
Pensions expert
Scottish Widows

Laura Blows
Editor
Pensions Age

AI and the future of UK pensions

Laura Blows speaks to Scottish Widows' pensions expert Robert Cochran, about the growing role of artificial intelligence (AI) in the UK pensions industry

How is the UK pensions industry – particularly its regulators – getting to grips with the changes AI brings?

The recent Financial Conduct Authority (FCA) *Mills* report envisages a world in which AI agents transact directly with other AI agents. That raises important questions about how these transactions will work and, crucially, how people will be protected.

At the same time, The Pensions Regulator (TPR) produced a series of AI reports. Both regulators are working to raise awareness of the issues and understand what needs to be done.

The view is that new legislation may not necessarily be required, but additional monitoring will be important. Providers are already beginning to use AI models in their back-office operations and across a range of business activities.

A bigger concern for the FCA, and to some extent TPR, is the guidance people receive when they turn to general-purpose AI tools such as ChatGPT, Claude and Gemini with financial questions.

The FCA has said it intends to provide guidance on the regulatory perimeter, clarifying what AI can safely offer as general information and what falls within the scope of regulated advice.

It is a significant challenge, and one the industry needs to address.

How are pension providers using AI today, and how is that changing?

Across the industry, AI has primarily been adopted in back-office operations, improving call centre processes and making relevant information more accessible.

At Scottish Widows, for example, we have reduced average call-handling times by four minutes through the use of AI techniques.

One of the most obvious applications is call transcription. Previously, a call handler would listen to a customer's conversation, find the answer to their question and type up notes to ensure the interaction was properly recorded. AI can now handle much of that transcription work.

AI is also helping us route customers to the right teams. Rather than having to explain their circumstances repeatedly, customers can provide their information once, and the person who receives the call can see what has already been discussed. We call this 'bullseye routing': directing customers to someone with the right knowledge and experience to answer their questions.

We are also bringing together knowledge management systems that were previously spread across different locations, making it easier for colleagues to find accurate information relevant to our organisation, schemes and customers.

All of this improves the customer experience, even though customers may never see the AI working behind the scenes.

We are also beginning to see AI appear more directly in the workplace pensions market. Scottish Widows developed an agent called Invest AI, initially focused on investments, which sits within our workplace pension app.

Since its launch, it has handled around 8,500 conversations. We are beginning to understand how people use it and the questions they ask at different times of the day. In the morning, questions tend to be more action-oriented, for instance people want help doing something specific. In the evening, they may be more likely to explore an idea or ask broader questions.

There is an important distinction between this kind of tool and a general-purpose AI agent. Our workplace

pension agent operates within a regulated environment and is trained using our own relevant data.

Trustees face increasing regulatory pressures, heavier workloads and more complex responsibilities. How can AI help them?

AI has actually made some aspects of trustees' jobs more difficult.

One reason is that regulators expect trustees to understand where AI is being used throughout their supply chains. They need to know which suppliers are using it, monitor its use and check that the outputs are reliable and how the systems have been trained. That is an enormous task, potentially involving a very complicated web of suppliers and systems.

There are also other ways in which AI is affecting their work.

For example, trustees are seeing more complaints because people can now prepare and submit them quickly using AI. Consultation responses have also increased significantly, partly because AI makes it easier for people to prepare them.

Trustees also need to be careful when using AI transcription tools for trustee meetings. Transcription can make meetings easier to document, but there are circumstances in which a verbatim record may not be appropriate. Therefore, trustees need to think carefully about how they use these tools.

That said, I expect platforms and AI developments will emerge to make trustees' lives easier, including tools that help them carry out the monitoring they are required to do.

How are the members using AI to their advantage?

The FCA's *Mills* report examined how people had used AI over the previous year and found that pensions and debt were among the areas in which people were seeking financial information. The report put the proportion of people who had used AI for pension planning at around 29 per cent.

Scottish Widows' own retirement report found a similar figure, with 30 per cent of people saying they had used AI in this way. That consistency is interesting, and I expect the proportion to continue increasing.

However, in the FCA research, only 40 per cent of those surveyed recognised that they would not have the same protections if they relied on information from ChatGPT, Claude or Gemini as they would when receiving regulated financial advice. That suggests many people do not fully understand the distinction.

One positive finding is that many people are using AI to improve their understanding and work out what to do next, rather than immediately acting on the information it provides.

The research also found that, among people using AI for financial purposes, 80 per cent said they would trust a regulated provider to deliver an AI solution. That suggests there is a significant opportunity for pension providers to offer useful AI tools within a regulated environment, with appropriate safeguards to protect members.

Looking at how AI is being used across the sector, and by pension savers themselves, do you think these developments will ultimately improve the pension-saving experience?

I'd focus on three fundamental pension questions: What have I got? Is it enough? And what can I do next?

AI will not develop in isolation from other changes taking place in the pensions industry.

First, there is the question of what people have. The pensions dashboards programme is intended to help people bring their pension information together in one place, making it easier to understand what they have accumulated across different schemes.

The second question is whether it is enough. People may use AI to help assess their retirement prospects, and some will probably upload information from their pensions dashboards into a general-purpose AI tool to get a broader picture of their finances.

Ideally, we would encourage them to use regulated calculators and trusted tools provided by pension schemes. But AI is likely to play a role unless providers offer an equally compelling experience that allows members to bring their dashboards information into a trusted environment and understand what it means for them.

The third question is what they can do next. This is where agentic AI could eventually make a real difference.

With agentic AI, people could establish the rules and parameters they want an agent to follow, allowing it to carry out certain tasks on their behalf without requiring them to manage every step themselves.

Pensions do not exist in isolation. People also have bank accounts, savings, mortgages and other financial commitments. As access to data develops through initiatives such as open banking and pensions dashboards, it could become easier to manage these different elements together. That could enable AI agents to provide better support and guidance throughout people's financial lives.

At Scottish Widows, we have been exploring the possibility of delivering targeted support journeys through AI conversations.

I can envisage people having several specialised AI tools – perhaps one provided by their bank and another by their pension or protection provider – that feed into a broader AI coach helping them manage their finances.

If these tools deliver good outcomes, people are more likely to trust them. We are already seeing the beginnings of that process in how people view AI and the organisations providing it.

This is an edited summary.
To watch the video in full please visit pensionsage.com

In association with

SCOTTISH WIDOWS



Work/life balance

Independent Governance Group (IGG) trustee director and head of policy and external affairs, Louise Davey, sits down with *Pensions Age* to discuss her varied pensions career, her green fingers and a typical week in her life

Work:

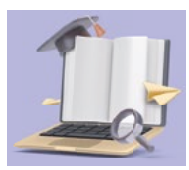


What was your dream job as a child?
I wanted to be a sports psychologist and travel the world with the Great Britain Olympic team. I was fascinated by what makes people perform at their best and how mindset can influence outcomes.

How did you end up working in the pensions sector?
By accident. During a gap year before university, when I was planning to study sport and exercise science, I took a six-month contract at MGM Assurance to work on the pension mis-selling review. It turns out pensions are quite interesting, and the six-month contract turned into seven years. I never made it to university, and over 30 years later I'm still here in pensions.

What path did your pension career take that led you to your current role?
After leaving MGM, I moved into pensions administration as a technical principal, working on DB and DC schemes and dealing directly with trustees and members. I then joined The Pensions Advisory Service before moving to The Pensions Regulator (TPR), where I led the Policy team and later the Regulatory Policy, Analysis and Advice directorate as an executive committee member. That experience gave me a strong understanding of the industry and the challenges trustees face, inspiring me to join IGG at a pivotal time for trusteeship. Two years on, the role remains fascinating and challenging.

What's one thing about your job that you particularly enjoy or are proud of?
I particularly enjoy the variety of the role and the opportunity to help trustee boards navigate complex issues and make well-informed decisions. I'm proud to contribute to the wider pensions policy debate while keeping the practical impact on schemes and their members firmly in view.



If you weren't working in pensions now, what would you be doing?
If I still hadn't made it into sports, I might be doing something in the education sector. I chair a secondary school governing board and find the issues schools must navigate interesting. I think the education sector has even more acronyms than pensions!

What's the best piece of career wisdom you've been told, or acquired yourself?
One of my favourite quotes comes from Ted Lasso: "Taking on a challenge is a lot like riding a horse. If you're comfortable while you're doing it, you're probably doing it wrong." The best opportunities in my career have usually been the ones that felt pretty daunting.



Monday
I started the week reviewing sector news and scheme developments, catching up with trustees and advisers, and prioritising key issues. I then reviewed an internal governance policy for our Professional Excellence Committee and prepared for a client project meeting, before heading to the gym.

Tuesday
A day in the London office included catching up with industry contacts, meeting colleagues and attending an afternoon conference on the future of DC pensions. Sometimes Southern Rail fails to get me home in time to fit in an evening gym session.

Wednesday
The day began with a technical session on trustee protections following scheme wind-up, before moving on to a policy discussion about surplus release, a regular

Life:



What do you like to do in your spare time? Any hobbies?
I enjoy lifting heavy things in the gym and trail running with my dog. And at this time of year, I enjoy cooking up an industrial-sized batch of chilli jams and sauces with my crop of home-grown chillies.



If you had to choose one favourite book, which would you recommend people read?
The Midnight Library by Matt Haig. It's a wonderful reminder that there is no such thing as a perfect life, and that happiness often comes from appreciating the choices we've made rather than dwelling on the paths we didn't take.

What film/boxset do you most enjoy?
The West Wing. It's intelligent, optimistic and funny all at the same time. Allison Janney's portrayal of C.J. Cregg is one of the best television characters ever created.



Do you have any music/band/song suggestions?
I'm a 90s girl at heart, and I enjoy good dance music. My Spotify habits feature a lot of Fisher and HUGEL at the moment.



What's your go-to comfort food?
A good spicy brisket chilli. Preferably very slow cooked, served with a good bottle of Shiraz, and followed by absolutely no plans for the rest of the evening.

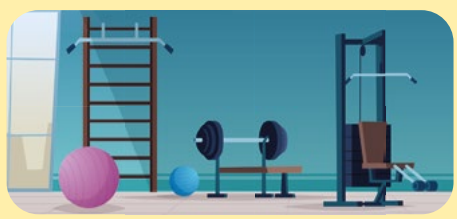


Who would be your dream dinner party guests?
The cast of Ted Lasso, in character.



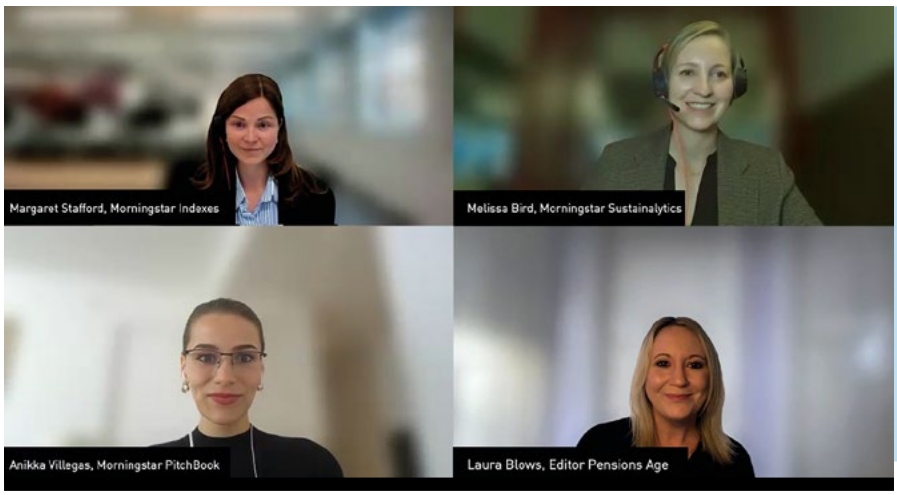
Thursday
The day began with breakfast in our London office hosted by our fantastic health and wellbeing committee, followed by time spent preparing for a pitch, a client meeting discussing endgame options and attending two industry events.

Friday
Fridays are often my thinking day, catching up on industry reading, writing articles, briefing papers, or consultation responses, and preparing for the conversations and decisions ahead, with a lunchtime spin class thrown in.



Saturday
A typical Saturday sees me heading straight to the gym when I wake up, followed by a long walk or a run with my dog. Now that two of my three boys are driving, I have more time on my hands at the weekend instead of being the resident taxi driver, so I'll often do a bit of gardening or catch up with friends. My husband is an excellent cook and will often cook up a feast for Saturday evening dinner.

Sunday
Sunday is a mix of family time, dog walking and catching up on Bake Off, Celebrity Traitors, and Strictly Come Dancing.



Webinar
Host: Pensions Age editor, Laura Blows

Panellists:
Morningstar PitchBook senior analyst for fund strategies and sustainable investing, Anikka Villegas

Morningstar Sustainalytics lead analyst for ESG research, Melissa Bird

Morningstar Indexes director of product management, Margaret Stafford

Understanding ESG and governance risks in private markets

This webinar explores how UK pension schemes can better understand and manage ESG and governance risks in private markets

Why should pension investors be paying particular attention to ESG and governance risks in private companies? What does the Morningstar Unicorn 30 Index tell us about the issues emerging in this part of the market?

Anikka Villegas: It comes down to two things, the first of which is the evolving physical climate risks, combined with the prevalence of really highly complex supply chains and shifting trade relationships, all making environmental and social risk management within the supply chain both more important and more challenging.

Secondly, the incorporation of AI by many private market companies is making early assessment and management of AI-related risks tied to things like bias and discrimination, user safety, data privacy and security vulnerabilities, and model inefficiency especially valuable. The ESG lens offers a comprehensive and multi-dimensional assessment of risks like those, as well as their relationships with one another and how they could affect profitability.

Margaret Stafford: Morningstar does an annual asset owner perspectives survey of over 500 global asset owners. In that survey, it put average allocations moving from around 19 per cent of AUM today to 23 per cent in the next five years, with Europe as the most ambitious region, expected to reach 25 per cent, driven by both valuation appeal as well as a supportive policy environment.

But as that allocation grows, there is increased emphasis on visibility and transparency. And so that's been an area that Morningstar has been focused on. The Morningstar Pitchbook Unicorn 30 Index is a great example of that work. This index tracks the 30 largest, most liquid late-stage venture-backed private companies that are valued at a billion dollars or more.

What's innovative about it is it aggregates transaction data from secondary market platforms and refines that into a single daily price and also employs a liquidity screening mechanism. So only companies with real secondary trading activity qualify for the index. It makes for a systematic rules-based universe that has traditionally been more opaque and infrequently priced.

Sustainalytics is now able to use that as the basis for systematic coverage of its controversy research on private companies. That's something that essentially didn't exist before and really helps improve an investor's ability to apply an ESG lens to a private company in the same way as they would to a public company.

Melissa Bird: What we're seeing for the private companies in the Unicorn 30 is they are facing many of the same ESG risks as public companies. Based on our analysis of this private market subset, we are seeing this intersection of ESG and AI risk come to light now, such as issues around privacy, around user safety.

How similar are the ESG and governance risks facing private companies to those we see in public markets and where are the important differences?

Villegas: Earlier stage businesses in the private markets often lack the mature governance structures of public companies. So, we see things like concentrated founder control, smaller investor-dominated boards, and relatively few independent directors. That can make it more difficult to identify and mitigate risks early. But that does also mean that how General Partners engage with portfolio companies can be really influential.

Bird: When comparing the Unicorn 30 private companies to public software companies, we see a lot of high-level similarities across ESG issues. These things are probably most pronounced around data privacy and quality and safety issues. But we also identify some telling differences.

For example, for the Unicorn 30, we've seen an elevated risk exposure to intellectual property issues. This is largely driven again by this AI business model and AI training practices. We're seeing lots of investigations and lawsuits around IP from this angle.

On the other side, the subset of private companies has a much lower concentration of issues such as anti-competitive practices, something we see more with market leaders and mature companies. This also reflects that regulatory gap between the private and public markets.

Where are investors seeing as the biggest transparency and data gaps in private markets today, and why do those gaps matter when assessing risk?

Villegas: With significantly fewer public reporting and disclosure requirements than private markets, you are forced to rely more heavily on other publicly available information. However, the news reporting on private companies is just so much thinner; there are fewer sources on any given event or controversy. Voluntary reporting from private companies has also pulled back as the tides have turned on ESG in the US and to a lesser extent in other parts of the world.

Now there's this sense that sharing that information publicly creates risks on two sides – from the anti-ESG folks who are potentially going to accuse you of prioritising sustainability over returns, and from the pro-ESG folks who might accuse you of greenwashing or failing to make good on your sustainability commitments.

That makes benchmarking ESG performance harder, which feeds into the risk assessment problem because it's hard to tell what's a deviation from industry norms if we don't know the industry norms in the private markets. There are initiatives like the ESG Data Convergence Initiative that are trying to bridge that gap, but that doesn't change the fact that the temperature has changed overall around willingness to report.

Looking specifically at the companies in the Unicorn 30, what are the key ESG and governance risks that investors may want to consider?

Bird: Some of the main key emerging risks we see for the Unicorn 30 include data privacy, cybersecurity, and governance. These issues have really become more of a discussion point in the market, especially around the context around recent and upcoming IPOs like SpaceX, Anthropic, and OpenAI.

However, there are other emerging risks, especially under 'Social'. There's been backlash and lawsuits towards big tech for years now, especially around child safety. But this is also an interesting theme to track for these private players as well. So as stakeholders and regulators start to pay more attention to how AI products affect society, companies may begin to face greater scrutiny and potential accountability for product-related harm.

How should investors balance the trade-off between the potential benefits of investing in high-growth private companies and the additional challenges created by limited transparency and data?

Villegas: Private markets are not monolithic. You need to know what kind of trade-offs you're willing to make with respect to each strategy. For instance, you don't face the same lack of operational maturity and lack of data in private infrastructure that you do in venture capital (VC). In strategies like VC, where we see more dramatic dispersion from top to bottom decile and quartile performance, manager selection is particularly important.

What can the experience of today's unicorns tell us about the risks investors may face as these companies enter public markets, and what role can better data, independent research and indexes play in giving investors visibility into these emerging risks?

Stafford: Given the shift of institutional allocators toward passive strategies for even their public equity allocations, there is more focus now than ever on index mechanics and how those actually differ by provider, by index family.

The large, late-stage venture-capital-backed companies that make up the current mega-cap IPO pipeline that we're seeing is the cohort really worth monitoring to anticipate pre-IPO downside risk. There has been a significant focus and attention recently paid to index inclusion rules in light of, for example, the SpaceX IPO.

The venture capital industry has a responsibility to articulate what responsible AI really looks like. Limited Partners and venture funds need to use their voice in that conversation as well, especially given how concentrated value creation is right now in a handful of AI companies.

This is an edited summary. To watch the webinar, visit pensionsage.com

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High time to worry?

With UK gilt yields hitting a 28-year high, memories of the 2022 bond crisis are resurfacing. Sandra Haurant explores what's driving the latest market shifts, whether pension schemes should be worried, and what higher yields mean for the future of pension investment strategies

Summary

- Pensions and gilts have a symbiotic relationship that dates back over a century.
- At the start of October, gilt yields rose to the highest levels since 1998.
- Commentators warned that a repeat of the 2022 gilt crisis could be on its way, while the opposition leader called on the Prime Minister to ensure that this was averted.
- Some experts argue that the high prices are not evidence of volatility but instead are proof that gilts have moved into a new, higher-yield phase after historic lows in the 2010s.
- The role of gilts remains in many ways unchanged for pensions, but in a context of greater political uncertainty there is an argument for shorter dated types, in place of 30-year bonds.



In early October 2026, yields on British 30-year gilts reached a 28-year high, pushing past 6 per cent and sending shockwaves around the city. Some commentators have warned that we may see something akin to the 2022 bond crisis play out all over again, while others say today's context does not carry the same risks, and a more robust market should help the markets weather any coming storm. So, what has been happening to this traditionally stable asset class, and how does this affect pensions?

Government bonds have been around since the 17th century, when the Bank of England issued them to raise funds to fight the French. Effectively a loan to the government, the bonds began to be known as 'gilts' in the 19th century, a name that came from the gilded edges of the certificates that were issued to investors.

Pension schemes have been investing in gilts for more than 100 years, and while they are no longer the biggest buyers of the asset, it is nonetheless a relationship that could be described as co-dependent. Certainly, as with all relationships, there have been a few ups and downs over the years, with perhaps the biggest bump in the road that previously mentioned 2022 crisis. Few will need to be reminded of Liz Truss and Kwasi Kwarteng's mini Budget, with its proposal for billions in unfunded tax cuts, which triggered the gilt crisis that shook the pension sector. The recent surge in yields has prompted concerns that there may be another drama on its way.

A long-term relationship

Pensions have traditionally depended on gilts and other government bonds as a kind of stabiliser for their portfolios. Today, defined benefit (DB) and defined contribution (DC) pension schemes both use gilts, with slightly different goals in mind. Russell Investments' associate director, EMEA, Aqib Merchant, explains: "For DB schemes, the primary use of gilts is to match and hedge liabilities across schemes. They use gilt exposure either directly, through buying gilts, particularly for larger schemes, or by using pooled funds, which is more common for smaller to medium schemes." Using gilts in this way is particularly effective when interest rate and inflation expectations change, Merchant says.

For DC, the principle is similar, he says, but the timeframe is different. "Gilts start to appear as members edge closer to retirement," says Merchant. "So, if you think of someone saving from age 20-something, most default strategies will not have gilts in them on day one. At that stage, it will be about how you can get maximum returns over the next couple of decades through equities, through multi asset investments. But as you get towards retirement, the last five to 10 years, potentially even 15 years in some instances, default strategies start to pivot towards small allocations of gilts or

bonds, and particularly gilts, [with this element] growing as they get closer and closer to retirement."

Unfinished business?

Of course, the drama of 2022 is still fresh in the minds of pensions professionals, so it's no wonder that investors get nervous at the prospect of another like it happening today. Climbing fuel and energy prices and an expectation that high levels of inflation are here to stay pushed up yields to the highest levels in decades in September. Headlines shouted about the risks of a new crash, and *The Daily Telegraph* wrote of "Truss warnings" coming from Bank of England, while opposition leader, Kemi Badenoch, called on Andy Burnham not to repeat the errors of her predecessor.

The movements in the government bond market over recent months have indeed been sizeable, and not just in the UK. Marsh People and Investments UK chief investment officer, James Lewis, says: "Global government bond yields have risen materially through 2026. For example, the US 10Y yield has risen by over 100 basis points year to date." The reasons for this are multiple, but can be summarised as "higher oil prices, strong real GDP growth, sustained fiscal deficits, global bond supply and shifting demand for government bonds," he says.

Importantly, for Lewis, this is not purely and simply about a volatile market – instead, higher yields are a sign that things have shifted more substantially. "We think that bond yields have moved to a new regime since the pandemic to a range more in line with the pre-global financial crisis period and neutral rates may have moved higher in recent years," says Lewis.

A new normal

Indeed, Merchant, argues, today's situation is very different from that experienced in the 2022 crisis. "The difference [then] was that, because [yields] grew really rapidly, everyone was concerned, and there was a sort of systemic risk," he says. "But now, they've been increasing gradually over the past couple of years, so while it's true to say that yields have been high, I don't think they've been too volatile. They've just been high."

He continues: "We now must accept that we have left that low gilt yield environment that we saw in the 2010s. We're no longer in that. I think it's that acceptance that, even if inflation is to come down, even if some of the political uncertainty starts to reduce, yields will remain at higher levels than in the past that we've seen in 2010, I think that's the key. It's a new normal world that we live in; these yields might settle down to a lower level, but not as low as what we were seeing in 2010."

"We now must accept that we have left that low gilt yield environment that we saw in the 2010s... It's a new normal world that we live in"

Lewis agrees: "What we have seen is a significant repricing of rates and bonds after an extended period of unusually low yields. That is not the same as a systemic breakdown. The more relevant issue for pension investors is whether portfolios are robust enough to withstand continued volatility and whether they are positioned to take advantage of the new rate environment," he says.

That does not mean today's steep yield increases will not affect pensions, of course, but there may be positives as well as negatives. Lewis says: "The impact depends on the investment strategy being pursued. For mature corporate DB plans who are typically fully hedged on interest and inflation risk the movement in yields has simply reduced the size of the balance sheet. For schemes in surplus who have hedged the liabilities rather than limiting hedging up to the level of assets they are seeing funding level gains as a result. For other schemes who decided not to fully hedge they will see funding/leverage improvements, all things being equal, when gilt yields rise."

Indeed, there are notable advantages to be found here, Lewis says: "Over the past four to five years, for many pension schemes, higher gilt yields, allied to strong performance of growth assets, have created opportunities to hedge, to lock in gains, derisk further, or reconsider the balance between matching assets and return-seeking assets. But it also raises the stakes around liquidity, collateral, and portfolio resilience, which is where strong governance and active oversight really matter."

The next phase

Today, even in an environment of high yields and shifting geopolitical sands, gilts remain a key part of pension portfolios. But the way in which they are used may be changing. Keyridge Asset Management head of fixed income, John Thornton, says: "We know yields are high, and that should mean good returns going forward from here; volatility may be a bit higher than we feel comfortable with. So that probably means that you end up wanting to invest in shorter date government bonds, maybe under 10 years, or five-year bonds, because our visibility of the world in 20 and 30 years is perhaps more challenged today than in the past."

This is, despite all the dramas, an enduring relationship. As Thornton says: "I think the political world is more complex now, probably, than at any time in living memory. That might change how gilts might perform an investment market, but it doesn't change the core fundamental role that they have in a portfolio."

Written by Sandra Haurant, a freelance journalist



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Exploring the role of real assets

Pensions Age Editor-in-Chief, Francesca Fabrizi, joins Nuveen Real Assets Head of Strategic Insights, Abigail Dean, to explore the role real assets can play in pension fund portfolios

What are the benefits of real assets within a pension fund portfolio?

There are several specific attributes that pension fund investors in real assets will be looking for, the first of which is diversification. These real assets, because of the nature of their illiquidity and their absence from public trading, do tend to offer very low or even negative correlation with public markets, with stocks and bonds and also with each other. So, in an era of volatility, that's particularly beneficial to investors who can look to diversify through these different attributes.

The other attribute is inflation hedging, which is particularly relevant at the moment, given the inflationary environment that we've been through in recent years. These assets tend to be linked to lease income, to commodity prices, and that means that they can act as a natural inflation hedge. They're more linked to those factors that tend to rise with inflation.

We've also done some research looking at the risk-adjusted returns of these asset classes on a long-term basis. Looking back over the last 30 years, they may offer superior risk-adjusted returns. So, what we see looking over the long term is that these different asset classes may offer the same or enhanced risk-adjusted returns when compared to stocks and bonds. Again, that's because of the different nature of these assets, their illiquidity and the fact that they're out of time with some of the public assets classes and they tend to bring lower volatility to an investment portfolio.

What we see is even adding a relatively modest exposure to real assets, say five to ten per cent, can enhance the risk-adjusted return of a standard portfolio.

Finally, the key thing that many pension fund investors will be looking to these asset classes for is income resilience. So, even when capital appreciation is not as strong, you have the potential to receive steady income from leased revenue and commodity sales.

What are the most compelling opportunities you see within real assets today?

There are a number of opportunities at the moment that we're excited about and that we would point investors towards. The first is European levered real estate debt. This type of investment benefits from an asymmetric interest rate floor mismatch, and this means it has the potential to deliver risk-adjusted returns regardless of the direction in interest rates. There's an additional benefit here, which is that the underlying asset class – real estate – has gone through a substantial price correction over recent years. This means that it's de-risked and, even given the current environment which we find ourselves in, it is reasonable over the length of a loan made now for investors to expect that loan-to-value ratio to come down. That makes this a potentially quite low-risk investment with still reasonable risk-adjusted returns, which might be suitable for any scheme looking for those lower risk investments at the moment.

Another opportunity I'd point towards is nature-based solutions. This is investment in natural capital, in farmland and timberland, but with the added benefit that this can bring additional income streams from areas such as biodiversity credits, carbon credits, mitigation banking and wetland restoration, for example, also through the leasing out of unproductive land for renewable energy, for example.

Within real estate, I'd also point to resilient needs-based types of real estate. These are real estate segments where demand and leasing income in particular may be more resilient to fluctuations and consumer and business confidence. Particularly good examples of this are living, and particularly more affordable living, also grocery-anchored retail, which tends to be less at risk from online shopping and also less at risk from

fluctuations in consumer demand.

I'd also point to real estate sectors where structural growth and demand are much more built in. These tend to be sectors that are linked to, for example, demographic trends. A good example would be anything linked to the aging population – we see particular opportunities for healthcare, real estate in the US, senior living as well.

Finally, at this point in time, we see opportunity in anything where value creation can be delivered. So, rather than being reliant on the market to deliver growth, actually building that value creation through the addition of CapEx where that's going to deliver a risk-adjusted return. The refurbishment of buildings would be a good example of this.

How can geopolitical risks impact real assets investment?

There are a number of geopolitical risks that all investors are going to be acutely aware of that may have an impact on real assets. Clearly there is the potential for inflationary pressures and that linking through to the interest rate environment. We see the Iran conflict at the moment and the impact that's had on oil prices, and it has had a direct impact on inflation around the world.

That has also directly led to the higher potential for rate rises. Earlier this year, we were expecting possibly to have interest rates holding or cutting. We are in a different situation now where we are expecting them to potentially rise yet further. That does have an impact on real assets, particularly any that are taking on leverage. So, we can see that impacting real estate for example, in particular, and investors should be mindful of that with respect to their investment strategies.

Also, anything that impacts the consumer and impacts that demand needs to be considered. So, again, inflation and the general macroeconomic environment may lead to a fall in consumer confidence. We actually haven't seen that too much in Europe recently, but it's reasonable to assume that the current environment could filter through to a general weakening of consumer and business confidence, which could have a negative impact on the willingness of consumers to shop and spend money.

Finally, I would point to the ongoing situation around tariffs and the potential impact on trade – that has the potential for particular impacts on natural capital, for example, and anything related to supply chains or industrial logistics and global trading goods.

These are all risks that could be front of mind. What's most important for schemes is that they're aware of these geopolitical risks, are building an appreciation of them into their investment strategies, and are looking to invest in those segments that may be best placed to weather geopolitical storms in the future.

What actions can schemes take to protect themselves from these risks?

There are several strategies that all schemes can deploy to ensure their portfolios are best placed to weather these storms. The most obvious one is diversification – across asset classes, geographies and sectors within those different asset classes. So, diversification across real estate sub-sectors, for example – that means that investors' risks are well spread and leaves them best set up for success.

I would also focus on asset quality. When we think about the last cycle for real estate, for example, what we saw there was a real spread in the performance between different real estate sectors. For example, we saw industrial logistics performing incredibly well, benefiting from that structural shift towards online shopping. Conversely, we saw retail suffering and that was exacerbated by the Covid pandemic and people not going out and shopping in physical stores. We also saw some impact on office markets.

We're seeing that much less at the moment – whilst there certainly will be some differences in how sectors perform at the moment, more will be seeing a bifurcation within sectors. In this instance, it's really important to focus on the individual asset quality, location, the attributes of the individual assets and the sub-sector – so which niche sectors are likely to perform well in this environment.

It's also important for investors to focus on income. When capital appreciation is less certain, income can offer that real resilience. So, looking at those sectors where income is least likely to be disrupted by current macroeconomic events. Living, resilient retail, healthcare, for example.

What's also essential is that, given wider risks at the moment, investors focus on underwriting the physical impacts of climate change as well as the impact of the transition to the low carbon economy; and to do so explicitly rather than implicitly because that is another area of risk that investors should be aware of that is particularly heightened in the area of real assets but which may also offer opportunities.

Finally, I would say, really think about the managers that you're working with, partner with experienced managers with detailed knowledge of those areas and also local knowledge of how different real asset sectors may behave given current economic conditions.

This is an edited summary.
To watch the video in full please visit pensionsage.com

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First Bus head of pensions, Muntazir Hadadi

A new route to retirement

Paige Perrin sits down with First Bus head of pensions, Muntazir Hadadi, to discuss the company's decision to separate its DC scheme from its legacy DB scheme, the barriers to this process and the possibility of moving to an alternative pension arrangement in the future

First Bus has separated its DC scheme from its legacy DB scheme. What were the main reasons behind this decision, and why did you choose to set up your own trust rather than move to a master trust?

The main reason was that we wanted to give the DC the focus and attention it deserved, because previously it sat within our legacy DB scheme, which meant it received limited time at trustee meetings. We wanted to change that and recognise that DC was the future for our workforce.

We did consider a master trust, but we decided to set up our own trust because we wanted a couple of significant benefits, which were member engagement and control. In terms of the engagement benefits, we've got specific company values and culture, and we wanted to give our colleagues a sense of ownership of the scheme. Even the fact that it has First Bus in the name [First Bus Retirement Savings Plan] really matters.

In terms of our values, we want employees to have a voice within the company and, particularly within the pension scheme, we wanted members at the core. The way we've done that is our trustee board is made up of 50 per cent member-nominated trustees (MNTs). There are four MNTs and four employer-nominated trustees. Those MNTs are frontline workers who are also trade union colleagues, and it is a mix of bus drivers and engineers. Beyond that, we have a co-chair model for our trustee board, and one is member-nominated, and one is employer-nominated.

Can you tell us more about the process of setting up the new scheme and transferring the members and assets? What did this involve in practice?

Even though we kept the same assets and scheme provider, we set up a new scheme. This was more than we initially anticipated because it wasn't just moving into an existing arrangement – we started from scratch. We created a new legal entity. We also had to consult with staff and say that although nothing is really changing, the name is changing and we are going to get these new benefits from having our own trust as well. There was quite a lot of work that went into making sure it was managed properly, that colleagues understood what was changing and why it was changing. We are quite fortunate to have strong member communications because of support from trade unions and the trustees. That's particularly important given the size and geographical spread of the workforce.

The company also had control over the design of the scheme, including governance, rules, member communications, and investment options. By having that control, we make sure members' interests remain front and centre, whereas I don't think you necessarily would get that type of control if you joined a master trust.

What were the biggest challenges you faced during the process, and how did you overcome them?

The biggest challenge was communication. A lot of colleagues were asking us why we were changing the name of the scheme. Our workforce is spread from Aberdeen to Penzance, and a huge challenge is that many of our colleagues don't have a work email address, so we can't just rely on sending an email and assuming the message has landed.

We needed to find ways to reach colleagues in the environment that they operate in, and one of the things that we did was get out on site. We visited 50 out of our 70 depots to explain the change. The support of the trade union was key here because we could use the trade union communications infrastructure as well, and they could send messages on their channels to help us communicate the change. The impact of having the trade union colleagues on board is important because they're not pensions professionals but can explain things in language that their colleagues can understand. In larger schemes, I think it is difficult for that member voice to be heard, and that is key for me in our scheme that our members have a voice.

How has the new scheme changed the way First Bus approaches pension governance, value for money and member outcomes?

Having our own trust has allowed us to design our governance arrangements and rules specifically around our DC membership. Those rules were designed to be flexible and simple, rather than just procedural. We cut out a lot of the red tape and the administrative burden that we used to have, and that's helped us free up time.

For example, bus franchising is changing the bus industry, and the local mayors have more control of bus services, which means more and shorter contracts. Staff move between the operators more frequently, and because of historic rates that we must maintain, you start to see lots of sections being created in pension schemes. Having flexible rules means that we can easily bring those into our scheme and that reduces the admin burden as well.

For us, we're looking beyond just the costs. Charges are clearly important, but that kind of effectiveness of governance really helps.

How will First Bus decide whether to remain with its own trust or consider other options, such as a master trust or a collective defined contribution (CDC) scheme, as the pensions landscape evolves?

One of the real benefits of having our own trust is that we haven't rushed ourselves into a long-term decision about which model will be right for us. It's given us time to really think about what we want and allow the pension landscape to settle because there's been so much change. Not rushing into anything has been quite helpful and allowed us to explore what our options are.

We can continue as we are, albeit with cost and governance pressures that are significant, which is something we do need to think about. We think it's still enough of a benefit for us to run our own scheme at the moment, but we could explore going to a master trust. We could explore bringing DC and DB back together, in the context of using any potential DB surplus to help pay for future DC contributions. And then you mentioned CDC as well; that's also an option we are exploring. Nothing is off the table, and having our own scheme has allowed us to do that. Had we gone down a different route, it might have been harder to unwind that if we made a different decision.

What advice would you give to other organisations considering a similar change?

My advice would be not to underestimate the value of member engagement. It genuinely helps our workforce and helps our trustee board reflect our workforce as well. We hear directly from those trustees who are speaking to their colleagues, and this allows members' voices to be represented at trustee board meetings. We hear about the small niggles before they become formal complaints or are escalated to the board. We're demonstrating that a small well-run scheme can deliver something meaningful, even though the trend is towards these much larger schemes now.

Also, the value of having control and ownership of your scheme allows you to be more flexible and make changes. There could be things that come down the line that you've not prepared for, that you wouldn't even think of now, but having control and ownership will allow you to be more flexible and make those changes.

How do you see the scheme developing in the future?

As I said, we're keeping our options open, but we are listening to what members want and the challenges they have. In the past 18 months, we've spoken one-on-one to over 1,000 people at the depots, and we are hearing their concerns and issues. Financial well-being is becoming a much bigger part of our strategy because we've been told members are struggling, including some who can't even afford to go into the pension scheme.

A benefit that we have over some other schemes is that we're taking the time to understand why people cannot join our scheme or why they've opted out. We're embarking on creating a financial education training programme for our staff, including understanding pensions and payslips and understanding how to get into a savings mindset.



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Unlocking opportunities in securitised credit

***Pensions Age* editor-in-chief, Francesca Fabrizi, sits down with HSBC Asset Management managing director and head of securitised credit, Andrew Jackson, to discuss the opportunities in securitised credit and its role in investment portfolios today**

Why is securitised credit particularly attractive for investors today?
Securitised credit is all about income and about current income. If you look at the constituent parts of securitised credit in terms of that income, first of all, it's base rates and then it's credit spreads on top of that, and the interest rate environment we're in at the moment is higher for longer. As interest rates rise, so the coupons on the bonds that we own rise, and we pass that directly through to our investors.

The second piece is credit spreads that go on top of that, and securitised credit has paid wider, higher credit spreads than regular corporate bonds. But at the moment, in terms of our environment, we're about 60-70 per cent of the way through the range of credit spreads so we're a bit tighter than we were at the end of 2024, but corporate credit is in that 95th+ percentile – they're very tight.

So, the advantage of securitised credit today for our investors is very good compared to corporate bonds, which is what we compare ourselves to.

How can investors benefit from securitised credit allocations?
I like to frame this by looking at where we sit compared to regular corporate bonds, but also to private credit.

Securitisation takes a portfolio of loans and turns them into bonds, and those bonds are issued in different tranches with different ratings. The senior tranches benefit from what we call credit enhancement or the subordination of the junior tranches. One feature, for instance, that's attractive for a lot of investors is the credit protection that comes during a deteriorating economy – that's across the board.

If I look at it compared to that fixed income side of things, first we have a yield premium over corporate bonds. Second, because we're floating rate, we have a very low duration. So, in this environment, that's seen as attractive. We find that a lot of fixed income investors allocate to securitised credit. Very simply, if you put

securitised credit into a fixed income portfolio, you can potentially reduce the volatility of that portfolio, and you can increase the income.

We're also seeing a lot of investors coming from private credit to securitised credit. The reason for this is liquidity. We are a little less liquid than regular corporate bonds, but we're much more liquid than private credit.

We also get transparency of information, which private credit investors like, because, for instance, the rating that we get on our investment is public, from rating agencies you would know and understand.

The pricing of the bonds is also very transparent. You can get regular daily prices of bonds as you would for corporate credit. So, investors like that transparency of information and they like the liquidity.

Which areas of securitised credit do you invest in and why?

At HSBC Asset Management we have what we call a dynamic global allocation approach – we invest everything globally. It is a developed markets product, and we move our allocation by where we see the opportunities by country and by sector. So, our largest allocation, reflecting the largest allocation in the market, is corporate loan securitisation in collateralised loan obligations (CLOs), where we have a market weight that will typically be in the US and Europe.

Next, we invest in residential mortgages. Again, that will be global. But we don't invest in agency mortgage-backed securities or residential mortgages that are guaranteed by US government agencies. The key for us in residential mortgages is prime borrowers. We don't invest in subprime mortgages.

So, we like residential mortgages, just not agency or subprime.

We also invest in commercial mortgage-backed securities. These are secured on loans on offices, hotels, retail. The key here, similar to residential mortgages, is prime.

So, you absolutely need to be on new build offices that are fit-for-purpose, which are full – benefiting from the back-to-work environment and avoiding that secondary real estate.

"We're seeing a lot of investors coming from private credit to securitised credit. The reason for this is liquidity"

The final piece, which is light touch for us, is traditional consumer loans, these are auto loans. These are credit cards. And here it won't surprise you to know that the key is to be in the prime assets – we don't do subprime. We have an institutional quality, prime view of the market.

What differentiates your strategies from the wider market?

We have a lot of competitors in the US and in Europe. But we are global and dynamic. We move our portfolios actively to where we see opportunities.

To give you an example, with CLOs, it's a very similar structure for the US and Europe. But today you're getting about 25 basis points (bps) more from investing in Europe. So, we've been able to shift our allocation. So that dynamic approach is key to the way we invest. We believe that helps provide lower volatility even within our low volatile asset class and hopefully enhances the returns.

Also, if you look at why securitised pays more, there's a complexity premium involved in that and the key to unlocking many of these benefits is experience – having a very broad, deep bench with lots of experience, and we bring that to the table as well.

Where have you lost money?

We have lost very little money. The team was formed in HSBC Asset Management 16 years ago and we have been running money for that period. Our high-quality strategies have had no credit losses or defaults over that period, despite market value fluctuations.

But there is another side, and that is mark-to-market movements.

The bonds we invest in move every day in terms of prices, and there have been periods in that 16-year environment when clearly there's been a down period.

Oddly enough, Covid (2020) was a positive year for us. March 2020 was difficult. It was a very risk-off environment, credit spreads widened, but it came back quite nicely.

The other period when we lost money was in 2022. We lost in our lower risk strategies – about two per cent – so, not too bad. The corporate bond sector was down about 15 per cent.

You might say, if we are not taking interest rate risk, which we're not, how come that happened? What happened in 2022 was that the rise in interest rates was so rapid that there was a concern that borrowers, who are our raw material, would struggle to pay their loans back.

This is an edited summary.
To watch the video in full please visit pensionsage.com

In association with
HSBC Asset Management

Source: HSBC Asset Management as at 30/09/26.

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M&A under the spotlight

It has been a busy year for mergers and acquisitions across the pensions landscape, with deals spanning pension administration and trustee firms, pension providers, and companies acquiring pension books of business. Paige Perrin explores the drivers behind this growing trend and what these acquisitions could mean for the future of the pensions sector

Mergers and acquisitions are becoming an increasingly important part of firms' growth strategies across the pensions market. From professional trusteeship to retirement advice, firms are looking to expand their capabilities, reach new clients and strengthen their position in a competitive, increasingly consolidated landscape. Driven by regulatory reform, the pursuit of greater efficiency and the potential benefits of size, the trend towards fewer, larger pension companies is reshaping the sector.

For firms, acquisitions offer a faster route to expansion, as buying an established firm can bring an existing client base, specialist expertise and experienced staff, while providing access to new geographical markets.

Meanwhile, the shift towards scale is already evident in the defined contribution (DC) market. According to research from The Pensions Regulator, the number of occupational DC and hybrid schemes decreased by 15 per cent, from 920 schemes in 2024 to 790 in 2025 (excluding micro schemes). However, assets in these schemes grew by 22 per cent from £205 billion in 2024 to £249 billion in 2025, and the membership in occupational DC schemes has continued to increase.

Regulatory change is also helping to accelerate this consolidation trend. The 2026 Pension Schemes Act reflects the government's focus on encouraging consolidation in the UK pension market. Examples of this include the value for money reforms, small pot consolidation, DC megafunds and defined benefit (DB) superfunds.

Increased consolidation and scale mean bigger firms can afford to invest more in technology and resources, while spreading the cost of meeting regulatory requirements across the firm. As client needs become more complex, a broader range of expertise and resources can offer an advantage over competitors.

There are also clear potential benefits for clients as joining a larger organisation may provide access to a wider range of services, additional specialist knowledge and more substantial resources to achieve the company's goals or deliver better outcomes for pension fund members.

However, the success of an acquisition depends on what happens after the transaction is completed. Merging systems, teams and working practices can take time, while changes in ownership or staff could affect established client relationships. It also raises questions about concentration risk, competition and pension funds' growing influence on the economy.

Another substantial consideration when it comes to consolidation is choice. If mergers and acquisitions result in certain sectors in the market becoming more concentrated, pension clients could have fewer options when choosing an adviser, provider or trustee.

And if too many companies are acquired by a small number of large firms, there is a risk that services and offerings become less diverse and innovation can be restricted.

Larger organisations could also find themselves trying to manage too many different areas of the market at once, potentially limiting the range of perspectives and approaches available to clients.

Ultimately, consolidation could bring benefits to both pension firms and their clients, but this will depend on how

successfully acquisitions are managed.

While greater scale may support investment, efficiency and expertise, the industry must also ensure that competition, client choice, innovation and the quality of services are not lost in the pursuit of growth.



In October, My Pension Expert acquired the client books and associated assets of InterestMe Advisers and InterestMe Financial Planning after the firms entered administration. Following the appointment of administrators from Kroll, the client books were sold to Doncaster-based My Pension Expert, which will provide ongoing financial advice and servicing to former InterestMe clients. Clients will be supported under the My Money Expert brand, with My Pension Expert confirming they will continue to have access to regulated financial advice and support in reviewing their long-term financial plans.

In October, Independent Governance Group (IGG) acquired Scotland-based trustee firm ProPensions. The acquisition intends to strengthen IGG's professional trustee capability and expand its presence in Scotland. As part of the acquisition, all five ProPensions trustees will join IGG, and clients will continue to be served by their existing teams. The acquisition builds on IGG's recent expansion, following its purchase of pensions consultancy KGC Associates last year, the launch of its Birmingham hub in May and the introduction of its trustee-led Project Management Office.

In October, Scottish Friendly completed the acquisition of the pension and annuity in-payment books of business from Fidelity International, covering around 35,000 policyholders. The transfer, first announced in April 2025, has now been completed after receiving all the necessary approvals. As a result of the transfer, Scottish Friendly's assets under management have increased by around £2.3 billion to approximately £6.8 billion. The firm said the transfer preserves customers' existing benefits and retirement options. Customers will also be able to access their pensions through Scottish Friendly's online platform and app, while continuing to receive customer support. This transfer follows Scottish Friendly's 2019 acquisition of a life and pensions book of business from Canada Life.

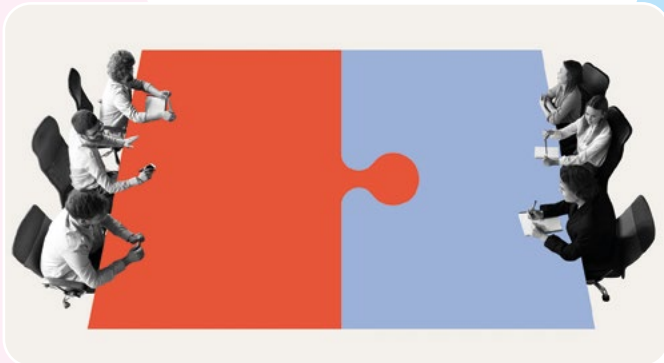
In August, Isio acquired Trafalgar House Pensions Administration Limited in a move aimed at expanding its pensions administration capabilities and increasing the range of schemes it can support. The transaction brings together two administration businesses and forms part of Isio's wider growth strategy across pensions, employee benefits, and wealth and investment management. Isio said the deal would broaden the administration services available to clients, including support for schemes of different sizes and requirements, from day-to-day administration to more complex projects and run-on activity.

In August, XPS Pensions Group completed the acquisition of the trade and assets of Austin Professional Resourcing (APR) for an undisclosed sum. The acquisition of the consultancy, which specialises in advising insurers and financial institutions, was first announced in June. XPS said the deal would accelerate its diversification strategy into large tangential addressable markets, as it looks to grow its financial services consulting and administration provider capabilities. APR has more than 70 client-facing staff, which will combine with XPS Group's existing Insurance Consulting team to provide greater scale and capabilities in delivering insurance consulting services. The acquisition builds on XPS Group's acquisition of UK insurance consultancy business Polaris in February 2025.

In May, Isio announced the acquisition of Collidr, an artificial intelligence (AI) solutions and investment management company. Isio said the acquisition would increase its investment management capabilities in the wealth market, integrating technology, adviser tools and co-manufacturing expertise into its offering for financial advisers, including expanded use of technology and specialist staff. Following regulatory approval, Collidr's team joined Isio Investment Solutions.



In May, WTW acquired fintech workplace pensions and savings provider Cushon. The deal was first announced in December 2025, when NatWest Group confirmed it had agreed to sell its 85 per cent stake in Cushon to WTW as part of a wider transaction to give WTW full ownership of the business. The remaining 15 per cent stake, previously held by Cushon's management team, has also been acquired by WTW. Following the acquisition, WTW has added the Cushon Master Trust to its existing LifeSight master trust.



In April, WBR Group bought the small self-administered scheme (SSAS) book of business from Carpenter Rees. The Carpenter Rees SSAS client base moved to WBR Group's dedicated account manager model, ensuring continuity of service. WBR Group said the deal formed part of its long-term growth strategy, with previous acquisitions including the SSAS books of James Hay and Rowanmoor.

In April, Alltrust Services Limited agreed to acquire the Phoenix Wealth Family Suntrust schemes. This move made it the only UK self-invested personal pension provider accepting new business into a family pension trust structure. Alltrust confirmed its intention to reopen the proposition to new business.

In May, Aptia acquired Pension Decision Service from Mercer. The deal will enhance Aptia's ability to provide guidance and support to members at retirement. The service offers tailored, one-to-one guidance to help individuals understand both the options available within their pension scheme and the alternative choices open to them.

In April, Standard Life agreed to acquire Aegon UK in a £2 billion transaction. The deal, expected to complete by the end of 2026, will see the combined group serve around 16 million customers with approximately £480 billion in assets under administration. This acquisition will significantly expand Standard Life's presence across both workplace and retail pensions markets.

In April, Brookfield Wealth Solutions completed the acquisition of Just Group. Brookfield Wealth Solutions announced plans to acquire Just Group in July 2025, looking to combine Just Group and its insurance company Blumont to operate as a single consolidated insurance group under Just Group's brand.



In April, Howden agreed to acquire the Insurance and Financial Services Consulting (IFS) team of Hymans Robertson. The deal marked the launch of Howden Insurance Actuarial & Longevity, which brought together the Hymans Robertson IFS specialists and the insurance actuarial and longevity professionals who joined Howden following its acquisition of Barnett Waddingham.

In October, US-based investment manager Nuveen finalised the acquisition of Schroders. The firms stated that Nuveen's and Schroders' businesses were highly complementary and the deal represented an opportunity to combine their capabilities to accelerate growth and create one of the world's largest active asset managers. The combined group will have almost $2.5 trillion of assets under management across institutional and wealth channels. Schroders' brand will be retained, and London will be the combined firm's non-US headquarters and its largest office.

In January, First Actuarial acquired an employee benefits book from Employee Benefits Partnership (EBP) Limited. The book, including almost 70 employee benefits clients, was purchased shortly before First Actuarial's acquisition by Arthur J. Gallagher & Co., after two of EBP's three directors opted to retire and dissolve the partnership. The deal gives First Actuarial recommended provider status for the transferred book, covering a range of company sizes and sectors.

In January, Vidett acquired corporate governance firm Bridgehouse Company Secretaries. The firm specialises in outsourced corporate governance, risk, and regulatory compliance services. Through the acquisition, both firms will look to offer more services and improve efficiency using shared technology, tools, and systems to help clients develop boards and deliver future value.

Written by Paige Perrin

Attracting talent is only the beginning

Mentoring and showcasing clear career pathways are key to retaining talent in pensions, explains NextGen Pensions vice chair, Martin Wigfield



The pensions industry offers rewarding careers with a clear social purpose. However, attracting the right talent remains a challenge, with many unaware of the opportunities available. This is particularly evident as pensions competes for skilled professionals against more visible and widely understood industries.

Candidate attraction is only the beginning. Once someone joins, the work of retaining them over the medium and long term begins. The promise of a fulfilling career needs to be matched by their everyday experience.

Reward will always play a part. People need fair pay, recognition, and good working conditions. However, through our conversations at NextGen, clear and credible career pathways consistently stand out as a major reason for people to see their future in pensions.

'Credible' is the important word. People need to understand what their next step could look like, what skills and experience they need, and how they will be supported. General assurances about future opportunities offer little comfort if nobody can explain how to reach them.

Progression also means different things to different people. Some want to lead teams; others want to develop technical expertise, move into projects, or explore another specialism. Helping people understand those options can keep their knowledge and ambition within pensions.

This is one of the biggest reasons NextGen created its mentoring scheme. Free at the point of use, it connects people across pensions and investments, providing support and perspective beyond their own firm.

Even with a supportive manager, there can be value in discussing a challenge with someone outside your reporting line. A mentor can help someone consider a career decision, prepare for a difficult conversation, respond to feedback or think through the responsibilities of their first management role.

Sometimes, the value is reassurance that a challenge is familiar and manageable. Sometimes, it is being asked a question you have avoided or hearing that a different approach might serve you better. Mentoring gives people space to think, with someone willing to listen and share their experience.

One of the most common requests we receive concerns soft skills – how to network, speak in public or represent yourself effectively when seeking promotion. Technical knowledge is essential, but applying it confidently, building relationships and explaining your contribution can determine whether you are ready for the next stage.

For someone attending their first industry event, advice to 'get yourself out there' is rarely enough. Practical guidance on joining a conversation and following up can help. Similarly, preparing a presentation or discussing how to demonstrate achievements can make an intimidating task feel achievable.

Mentoring also gives experienced professionals a meaningful way to give back. Lessons from difficult decisions, setbacks, and career changes can be valuable to someone encountering similar challenges. Mentors can benefit too, gaining fresh perspectives and developing their listening and leadership skills.

By bringing together people from different employers, roles and backgrounds, we create a shared effort to support the industry's future.

Employers remain central to that effort. Mentoring cannot replace good management, fair reward or transparent progression. It should complement regular career conversations and practical opportunities to develop, with time to put learning into practice.

A useful question for any employer is whether their people can explain their possible next steps and who will help them get there.

The pensions industry has every reason to be optimistic about its future, but that future depends on people. Putting considerable effort into attracting talented individuals into our profession is important; helping them build fulfilling and rewarding careers is even more important.

Pensions is an industry we can be proud of. Our expertise and commitment help secure people's financial futures, and we should shout about that invaluable contribution.

Through mentoring, development opportunities and stronger industry collaboration, we can create an environment where people see pensions not as a career they accidentally find, but one they actively choose.

Written by NextGen Pensions vice chair, Martin Wigfield

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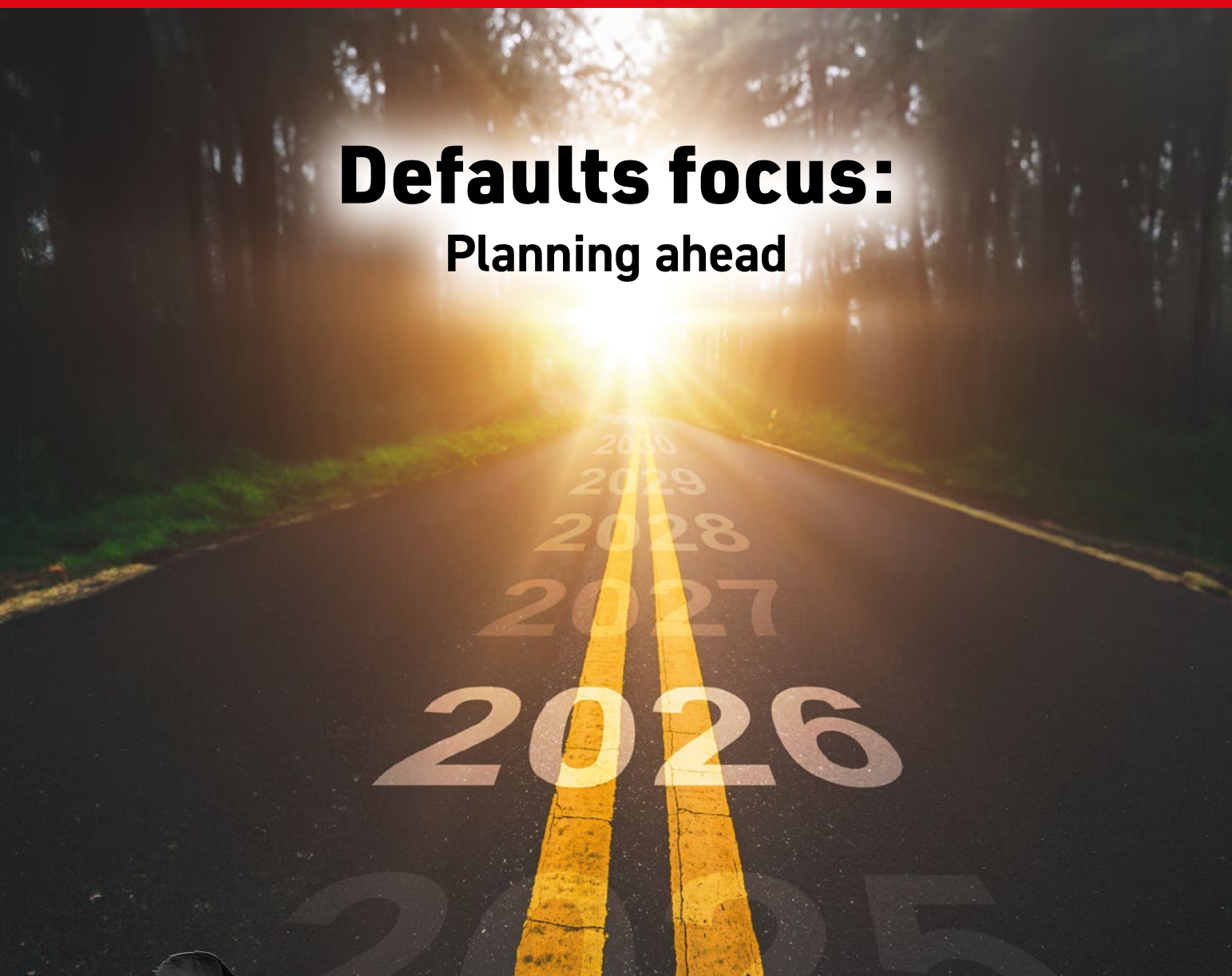
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What will workplace pension defaults look like in 2036?: *Lewis Daley looks ahead to 2036, exploring how employers' choices about default pension structures must evolve to keep pace with changing retirement needs and investment opportunities* ***p48***

Changing times: *Royal London workplace investment lead, Lewis Daley, speaks to Pensions Age about how employers and advisers can future-proof workplace pension defaults* ***p49***

Defaults focus:

Planning ahead





Royal London workplace investment lead, Lewis Daley

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What will workplace pension defaults look like in 2036?

Lewis Daley looks ahead to 2036, exploring how employers' choices about default pension structures must evolve to keep pace with changing retirement needs and investment opportunities

Picture this: You're an office worker going about a typical day in 2016.

There are no virtual meetings; working from home is still unusual. You send version 15 of a document around, hoping everyone comments on the right copy because live collaboration isn't yet the norm. There's no AI to help draft your emails either. Later, on the way home, you untangle your wired headphones before listening to music on your iPhone 7.

It probably doesn't feel that long ago, yet so much has changed in just 10 years.

We expect technology, workplaces and businesses to move with the times. However, we haven't always expected the same from workplace default investments – even though they're designed to support our future selves.

But both expectations and opportunities are changing. Defaults were once judged mainly on whether they were suitable at that point in time. Increasingly, they'll need to evolve with the world around them and prepare employees for a future that could look very different. That means thinking carefully about how people will retire, what good value looks like and where their money will be invested in 2036 and beyond.

Change is already under way

Pension reform is changing what we expect from workplace defaults, with more focus on value for money, scale and access to a broader range of investments. Pension providers are being encouraged to look beyond low costs and focus on what will help employees achieve better long-term results.

People are also living and working for longer, reshaping what retirement looks like. Markets are evolving too, bringing new opportunities and risks. Tomorrow's defaults will need to keep pace.

Flexibility will be key

There's no longer one typical route into retirement. Only some people will stop work completely, while many others will reduce their hours, work for longer or take money from their pension in stages. Tomorrow's defaults will need to support these choices rather than assume everyone follows the same path. They'll also need to adapt as retirement patterns, regulations and investment opportunities change.

Bigger – and hopefully better

We're likely to see fewer, larger defaults as the market consolidates. Bigger doesn't automatically mean better, but greater scale could bring stronger oversight and influence, specialist expertise and access to a wider range of investments. Larger providers may also have greater resources to improve technology and employee support, making schemes easier for employers to manage and employees to understand.

Outcomes, not simply cost

Low charges will still matter, but they're only part of the story. A cheap default isn't good value if it doesn't help employees save enough for later life. Increasingly, defaults will be judged on investment performance, service and how well they balance risk with long-term growth. The real measure of value will be employee outcomes, not simply price.

A wider investment universe

By 2036, private assets will have moved beyond industry debate and become a normal part of workplace default investing. Billions of pounds will be invested across infrastructure, property and growing businesses – from renewable energy and transport links to new homes and technology.

Providers with the right experience, track record and expertise to manage private assets could open new opportunities for employees. These investments could help spread risk, provide new sources of long-term growth and support projects employees can see in their own communities.

Looking towards 2036

A lot is likely to change over the next 10 years. That's why defaults designed for 2036 and beyond need to adapt today.

If we make the right changes now, we may look back on 2026 as an important turning point and, just as our expectations of technology have evolved, wonder why things were ever done any other way.



Written by Royal London workplace investment lead, Lewis Daley

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Lewis Daley, Royal London workplace investment lead

Changing times

Royal London workplace investment lead, Lewis Daley, speaks to *Pensions Age* about how employers and advisers can future-proof workplace pension defaults

Traditionally, choosing a workplace pension default was treated as a one-off decision for an employer, rather than an arrangement that needs to evolve over time. Does this approach need to change, and if so, what events or changes would you recommend employers use as triggers to reassess default arrangements?

The vast majority of employers are not investment experts. They're not set up to conduct investment reviews of their defaults every year, nor do they want to. So, I think there's an acknowledgement at the start that we don't ever want to be in a world where the employer has to become a financial adviser, an investment expert or a market expert.

But, this 'fire and forget' approach is changing. A pension is such a big part of an individual's overall reward package, and the DC pot is going to be more important in retirement, so it needs to be treated with the seriousness it deserves.

This is a two-way street between a provider and an employer. Ultimately, what value is the pension delivering, and what trust can an employer have that they're delivering that value to their employees?

In terms of triggers for reviewing defaults, these are long-term investments. We don't expect intra-month performance to be a trigger for review. But employers should think about what they're trying to deliver for their employees, and whether they have governance structures, reporting and reassurance frameworks in place.

Ideally, their adviser would tell them about the health of the scheme, whether that's performance or member data, and help them understand that some form of control or governance is in place. That ultimately enables more seamless oversight and management of their pension, rather than making a one-off decision and then scrambling a few years later, after there have been a few complaints, to work out where to go.

Employers and advisers may place considerable emphasis on charges and investment performance when selecting a workplace pension provider but what additional factors should they be considering to ensure a default is genuinely fit for the future?

When we think about what the regulator is looking at through value for money, you have performance, costs and charges, and quality of service. These are the key areas that will be evaluated, but from an employer's perspective, that's only part of the overall picture.

That doesn't necessarily account for digital capabilities. Are they relevant to the employer? Some don't want them, but they might be something others want to evaluate. How many employees have actually updated their details, whether that's nominating beneficiaries, making sure addresses are correct, or managing the scheme's administration? These are other aspects that sit alongside those key value for money areas.

Our position is that, when evaluating a scheme, the provider, adviser and employer should work together to provide the relevant insights and information needed to support an informed decision-making process.

Value isn't always determined by a quantifiable comparison, where one number is higher than another. There needs to be an additional or supplementary element to determine whether you're getting good value from the arrangement.

As the workplace pension market consolidates around fewer, larger providers, how can employers and advisers distinguish between providers that are simply bigger and those that are genuinely better equipped to deliver good outcomes for members?

Scale ultimately has benefits in terms of access to investment capabilities that some smaller providers may not have, as well as the expertise that comes with scale. However, scale in isolation isn't the silver bullet.

An employer can't simply look at the biggest number and assume that means it's the right option. They need to consider what that scale delivers. Does it provide good value for the price? Does it offer more sophisticated investment capabilities, or greater confidence in those capabilities? Is the scale fragmented?

Scale has been very topical through the Pension Schemes Act: Fewer, bigger



providers. Scale could be framed as a hurdle or obstacle that providers and employers are going to have to navigate. When we think about 2030, £25 billion is the magic number being floated about. Does the pension provider have £25 billion in their default? From an employer's perspective, that's an important question to ask, because it may mean having to make another decision in a few years' time if the provider they choose isn't able to address that scale point.

Private markets are likely to play a greater role in workplace pension defaults over the next decade. What opportunities might these assets offer members, and what should employers and advisers look for when assessing a provider's expertise in this area?

That's a challenge we're being asked about quite a lot: How do I become a private-market expert? Is the expectation now that I need to know the difference between primaries and secondaries? Do I need to know the difference between forestry investments? In reality, that's not the level of expertise employers should be required to have.

"Looking 10 years ahead, default design will still be focused on delivering good customer outcomes, but there'll be a much greater focus on supporting customers as they access their pension"

Private assets are an investment opportunity that, when used well, can deliver strong customer outcomes, whether by improving growth or the diversification of the solution. They can be used to deliver good outcomes.

The questions we would ask are: If the headline focus of a solution is that it has a certain percentage in private assets, do you know why? Do you want to know why? Is it because you want to increase returns, smooth investment returns, or pay a better income to your customers or employees when they reach retirement?

You don't necessarily need to be an investment expert to get into the detail of that. However, private assets often come with complexity and can come with higher charges for some providers, so are you comfortable with what's going on and why you're using them?

Another aspect is that private assets can make some people nervous because they're private. They're not as transparent, and there isn't as much information. They are illiquid, so there's a concern that if something goes wrong, they'll be left stuck.

Private markets are currently in the spotlight, including its role within DC defaults. But generally, when people think investing in private markets can improve things, there's another side to that coin: What happens if it doesn't?

So that's why there are these questions, and rightly so. I think where we need to draw the balance is with the expectation of what the employer should do with that information. Most employers are not financial experts. They're not investment experts and they're not pension experts. So, a balance needs to be drawn, where we don't go too academic.

That's where the focus has pivoted more. The bar has been raised. But I think there will be some balancing with providing a lot of information, as how much of that is noise and how much of that is actually helping an employer?

Therefore, with private assets, the questions are: How can you give me confidence in how you've determined that this is suitable? What are the scenarios? If it goes wrong, what does that mean?

Ultimately, employers need to know why their provider is investing in private assets. Is it more of a marketing message than a clear investment use case? What's the impact? Is there going to be a price increase, and will that change the commerciality of these solutions? If you change your allocation, will it mean work for me as an employer or adviser? And what controls do you have? Can you give me confidence or reassurance about what happens if things don't go as planned? What's your modelling? What's your analysis? What confidence can you give me?

Those are the key aspects of the private-asset world.

Technology and member engagement are likely to develop significantly by 2036. How important will a provider's digital capabilities and ability to engage and support members be when employers and advisers are choosing a pension arrangement?

They're going to be integral to default offerings. When investment teams are designing defaults, they are obviously looking at building good investment portfolios. But members will experience those portfolios through their annual statements, and they'll generally have multiple other pots with other providers.

They'll most likely use their app to see clear information about their pension pot. How many touchpoints do we expect someone to have with their pension? It's not necessarily something everyone looks at twice a day, but when they do, there's often a reason such as they've seen something in the news, they're trying to do something, or they're trying to find something out.

From our point of view, when we're building the default, it's really important to understand how members will engage with their pension, because those touchpoints can lead to behaviours and actions that members take – or don't take.

It is also really important to think about investment as one piece of the puzzle. You then have to make sure you get engagement right, and you need to get the technology right as well. All of that needs to come together, because as we move forward, having that digital connection with a customer is going to be far more important.

"A pension is such a big part of an individual's overall reward package, and the DC pot is going to be more important in retirement, so it needs to be treated with the seriousness it deserves"

When building solutions, the richer data we get about member usage and behaviours can help inform how we build and design these defaults. That might mean seeing members log on and change their contribution profile, seeing them do nothing, or seeing them contact somebody for further details. This data is all really important, and a digital approach helps us build more robust solutions.

What structure and capabilities do you expect to be the norm in defaults by 2036?

The way we'd think about this is to roll back 10 years, to 2016. We'd just come through pension freedoms, and we'd seen moves from annuities to flexible options. There was obviously concern about whether everyone would buy a Lamborghini with their tax-free cash.

Where we are now is quite a long way from that, whether in terms of regional equity mix and the different asset classes involved in a default, or, importantly, the focus on DC pensions and how important they are to customers overall.

If that change has happened over 10 years, we expect the pace of change to pick up over the next 10 years.

From my perspective, private assets are currently a topic attracting a lot of conversation and focus. I think that, in 10 years' time, they'll simply be incorporated into building a solution. We won't necessarily dwell on the differences and complexities; they'll just be part of what we do in DC defaults. They'll be there on their own merit rather than because of their appeal in promotional material. I think they'll very much be mainstream.

From the member-experience perspective, we'd expect the average DC pot to grow. At the moment, we're in a phase where a lot of people have both DB and DC pensions, so we're still seeing behaviours such as encashments, often involving smaller pots. We expect that to change as pots grow.

We expect the behaviours and needs of DC members to increase, whether that's a need for flexibility, support, or the technology to back that up. With a smaller pot, people often decide to take cash in some capacity. But when it becomes a more sophisticated financial decision, it's not as simple as saying, 'give me my cash'. There needs to be support for customers as they make more significant financial decisions about their retirement.

Looking 10 years ahead, default design will still be focused on delivering good customer outcomes, but there'll be a much greater focus on supporting customers as they access their pension.

In terms of what'll become the norm, I'd say the bar will have fundamentally risen across all providers. The ability to get support and insight, and to access pensions, will be far more efficient and robust.

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Thinking outside the box



Summary

- There are concerns of VFM regulations being too prescriptive, but if done right this can be an effective way of encouraging good practices.
- Transparency is key to VFM and like-for-like comparisons should be supported, but there is a danger of focusing too much on the figures.
- VFM focuses on accumulation but these efforts need to be extended to decumulation, with adequacy of retirement outcomes taken into consideration.

As the new value for money framework takes shape, how can the industry move beyond box-ticking to deliver genuine value for pension savers?

In September, the DWP and FCA closed their joint consultation on a value for money (VFM) framework for pensions. The findings of this are due to be published but this is widely expected to introduce new requirements around how schemes demonstrate value for savers in terms of investment returns and costs incurred. The aim is to improve member outcomes through greater transparency, but in an industry inundated with regulations there are concerns that the framework could just become yet another compliance requirement.

"We support the motivations for the framework," says Schroders head of policy, Richard Fox, "however we are concerned that the breadth and depth of the framework, along with the sanctions for schemes with value challenges, mean there is a risk this becomes a box-ticking exercise where schemes try to

protect themselves. That's not what the regulators intend."

The hope, for some, is that VFM will come naturally to the schemes that have properly embedded Consumer Duty. Protiviti senior manager, George Sakwa, argues that, ideally, VFM should simply be a natural extension for pension schemes and not just another compliance exercise.

"The main tweak will be that the VFM framework will put that assessment in the public domain and allow for it to be compared to peers," says Sakwa. "Schemes that do this well will turn VFM from a rating into a source of competitive advantage."

Regulators may want schemes to take on the spirit of the rules but these are still compliance requirements at the end of the day. Sackers partner, Andy Lewis, says it would be wrong to downplay the compliance aspects of VFM, and not just because he is a lawyer. Instead, he warns against underestimating the requirements of this framework.

"Once that's up and running, there should be more scope to embrace the wider spirit of VFM," says Lewis, pointing to the mooted traffic light system for these reports. "For example, even if the official VFM rating is light green, or dark green, there could still be opportunities to improve – looking for potential opportunities thrown up in a scheme's assessment and making an action plan for next steps."

Shaping the framework

It's yet to be confirmed what recommendations made the cut in the consultation, but it's clear that many want a demonstrable link between regulation-mandated reporting and action.

"Transparency is important, but genuine improvement comes when schemes are encouraged to address weaknesses and demonstrate how they intend to improve member outcomes," says People's Pension head of business development, Max Gist. "Provider communications should go beyond simply repeating VFM ratings, explaining what the findings mean, how schemes compare and what steps are being taken to deliver better outcomes for savers."

This reflects the growing argument that reports alone will not stimulate change. In agreement is AllianceBernstein multi-asset portfolio manager, David Hutchins, who wants to see trustees demonstrating that they are prepared to act independently when the evidence demands it.

"There is a risk this becomes a box-ticking exercise where schemes try to protect themselves. That's not what the regulators intend"

"That means being willing to challenge providers, advisers and previous decisions, rather than allowing optimistic forecasts of future improvement to outweigh poor realised outcomes," adds Hutchins. "Those responsible for a decision should not be the only people determining whether that decision has been successful."

Designing the VFM framework also means doing so in a way that accommodates the numerous other regulations facing schemes. There is a risk, according to Sakwa, that VFM assessments could overlap with similar requirements under Consumer Duty and that the latter should be taken into consideration. Specifically, he says this can help influence how VFM reports demonstrate performance and fees.

"The Duty's consumer understanding test applies directly: Performance should be shown net of all charges, in pounds on a typical member's pot, against both comparators and the scheme's own objectives," suggests Sakwa. "Members also need context, such as how much of a return came from manager skill rather than the market return, and what level of risk was taken."

Context is key as the aim is ultimately for savers to make better informed decisions when comparing their schemes with others. However, AMNT co-chair, John Flynn, is wary about how comparisons influence scheme decisions.

"Better returns for savers will be driven by comparison between schemes and their colour rating but this will become less effective if there is 'herding' to a safe middle," says Flynn. "Members don't want schemes just focusing on making sure they are 'average' by being part of the pack and then boasting about it. All activities must be member centric and focused on member wellbeing."

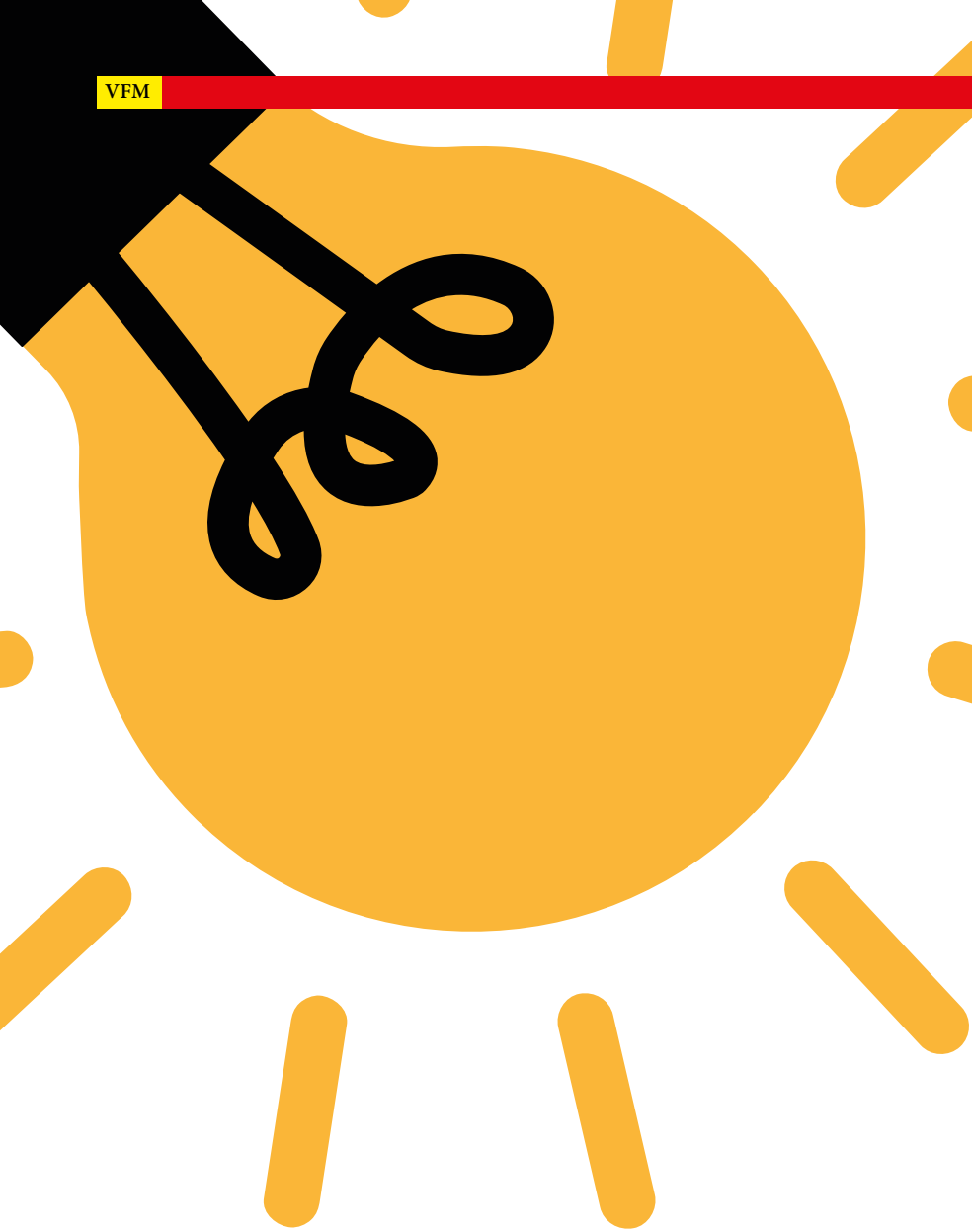
This brings the thorny issue of what 'value' actually looks like for members.

Defining value

Demonstrating value for a member is complicated by the fact some schemes are confused about what they should ideally be delivering. Recent research from Aon finds that 73 per cent of employers and trustees do not know the expected retirement outcome for a typical lifetime member of a DC pension scheme. According to analysis accompanying the findings, this represented a potential adequacy 'blind spot'.

"The VFM consultation gave a pretty clear signal that value in retirement is on policymakers' radar even if it is not being put into regulation yet," says Lewis. "There's no real consensus at the moment about how you assess value in retirement, and it's likely to be much harder than in the saving phase – this conversation will continue into the coming years."

There is no decumulation without accumulation, though. Zedra client director, Anne Sanders, sees the need for a thorough value assessment of the latter to improve the former, but she concedes this is a lot to deal with in one regulatory framework.



"A member's outcome is largely driven by the contribution level and the investment performance, with charges tending to play a relatively minor role in the total outcome, due to the charge caps in place," says Sanders. "It's hard to see either the FCA or TPR seeking to include adequacy measures into the VFM framework without an independent determination of what an adequate contribution rate or retirement benefit was."

The VFM consultation has so far focused on accumulation but the decumulation phase, and with it adequacy, is likely to be influenced by the upcoming findings from the Pensions Commission. Lewis sees these as "critical" and that greater conversations between business, government and society will be needed to face this. He adds: "Only then will we be able to work through the full interplay between adequacy and value."

In agreement is Gist who, while seeing a real role for VFM reports to play, recognises these are limited to assessing investment performance and administration. They can be useful for members and start conversations but schemes will then need to do more and take these further.

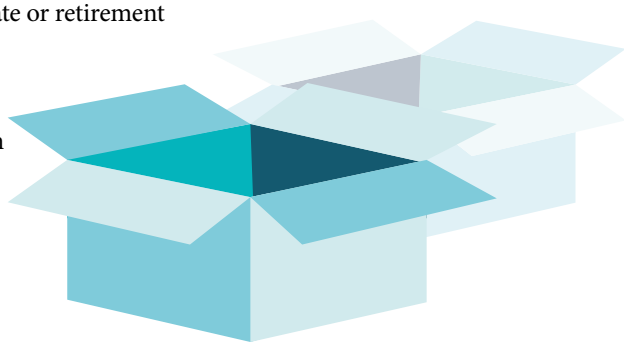
"Schemes need to help members understand what a good retirement might look like for them personally, while providing simple retirement pathways for those less comfortable making complex financial decisions," says Gist. "The future development of decumulation VFM measures should help members compare retirement options on a consistent basis."

The nuance here is that maximising a pot size may not necessarily be the right measure of value for every member. Here, Hutchins points to the difference of risk and objectives between someone planning to buy an annuity from someone intending to remain invested and draw an income.

"That makes clarity of objectives essential," he adds. "Schemes should be transparent about the outcomes they are designed to deliver and accountable for how effectively they deliver them.

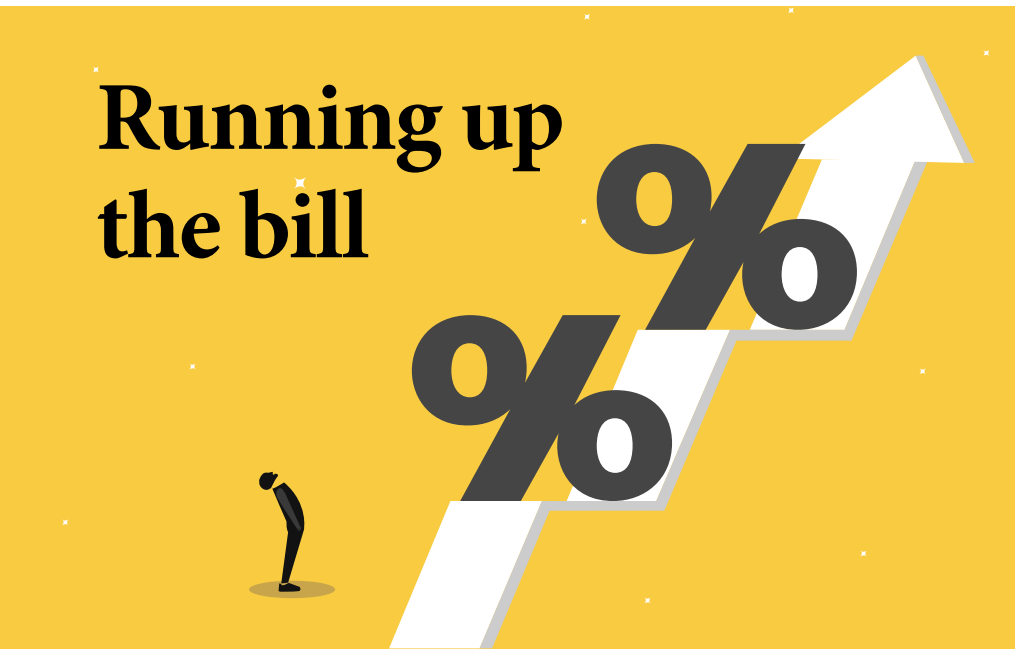
A flexible VFM framework can recognise different member needs, but flexibility over objectives should not become flexibility over accountability."

A challenge here is the wide variety of retirement lifestyles that savings have to support, with this heavily dependent on personal circumstances. There is an opportunity for the VFM framework to improve member outcomes but it is apparent from those in the industry this will depend on a lot more than judging the value of a pension scheme while accumulating.



Written by Jon Yarker, a freelance journalist

Running up the bill



Summary

- The running costs of DB and DC schemes are rising, with DB scheme trustees reporting an average 34 per cent increase over the past 12 months.
- Regulatory change, data projects, and technology developments are contributing to rising costs across DB and DC schemes.
- However, pressures differ between the scheme types, with DB schemes facing costs associated with funding, actuarial work and endgame decisions, while DC schemes are navigating value for money requirements, guided retirement and technology developments.
- Trustees are considering delegation, alternative governance models and consolidation, but the priority remains delivering better outcomes for members.

The costs of running a pension scheme, whether DB or DC, are rising amid regulatory change, technology developments and growing governance requirements. Paige Perrin explores what is driving the increases and how schemes can manage the pressure

The cost of running both defined benefit (DB) and defined contribution (DC) pension schemes has become an increasingly pressing issue for trustees, as regulatory demands, complex projects and growing governance responsibilities place additional pressure on scheme budgets.

Research from TPT Retirement Solutions found that trustees of DB pension schemes reported an average 34 per cent increase in running costs over the past 12 months.

The figures also revealed a substantial divide by scheme size, as 44 per cent of trustees overseeing schemes with £1 billion or more in assets reported cost increases of more than 50 per cent in the past year, compared with just 7 per cent of trustees overseeing schemes with less than £1 billion.

While these figures highlight the scale of the challenge for DB schemes, running costs are also rising across DC, where trustees face different challenges around value for money (VFM), guided retirement and technology developments.

So, what is driving costs up, and how can schemes manage the pressure without compromising outcomes for members?

Where are costs rising?

"The cost of running a pension scheme has undoubtedly become more significant, driven largely by growing complexity," Van Lanschot Kempen Investment Management UK chief executive officer, Michelle Darracott, says.

And the rise in costs is being felt across several areas, rather than being confined to one area.

TPT Retirement Solutions' research found that legal services were most frequently identified as seeing the largest increase in costs, cited by 37 per cent of DB trustees, followed by technology and data services at 34 per cent.

"Trustees are being asked to manage more regulation, sophisticated investment and risk considerations, greater data and cyber-security requirements, alongside increasingly complex strategic choices," Darracott says.

Dalriada senior trustee director, Vassos Vassou, adds that regulatory and legislative changes are also driving up costs across both DB and DC schemes.

In particular, he highlights the additional time and money DB trustees need to spend meeting requirements relating to areas such as the Effective Systems of Governance and the Pensions Dashboards Programme.

For DC schemes, he points to spending on guided retirement and default decumulation funds.

Vidett professional trustee, Curtis Mitchell, says the most notable rises in 2026 have been in administration and

data management costs for both DB and DC schemes.

He attributes the increases to DB schemes "putting their affairs in order" as they consider endgame solutions, while DC schemes face additional pressure from VFM requirements, which he says have been "adding friction".

What's driving the increase?

Hymans Robertson head of scheme actuary services, Laura McLaren, says: "No single factor is responsible, but the growing number of major projects is a key driver.

"The biggest drivers are projects such as guaranteed minimum pension equalisation, dashboards, data cleansing and insurer readiness, alongside heavier regulatory and governance demands and greater investment in technology, cyber security and data."

For DB schemes in particular, these projects can come alongside work in preparing for their long-term future, including getting data and records ready for potential endgame decisions.

The impact of rising costs is not felt equally, however, with smaller schemes often having less scope to absorb additional spending.

Vassou notes that many overheads are fixed rather than proportional to scheme size.

McLaren says that although cost increases are "widespread", "large schemes typically incur the bigger sterling amounts, reflecting their scale and complexity, but smaller schemes feel the impact most".

Older administration systems can add to the challenge, Vassou says, alongside lower sponsor and scheme budgets.

The pressures also vary between DB and DC schemes, reflecting differences in the structure and maturity of the two markets.

TPT Retirement Solutions head of policy and external affairs, Ruari Grant, points out that thousands of individual DB schemes remain in operation, while DC has seen far more consolidation.

He suggests that greater consolidation in the DC market has allowed DC master trusts to benefit from economies of scale, reducing running costs per member.

Grant says ordinary running costs for DB schemes tend to be higher, given the complexity of certain functions, such as actuarial and covenant, while innovation and tech development costs tend to drive more cost in DC, given the commercial nature of the DC market.

Despite these differences, regulatory change continues to drive spending across both markets. Grant describes compliance with pensions dashboards as a "significant data exercise for almost all schemes in the last two years".

Several newer government reforms have focused more heavily on DC, meaning most DC schemes are now spending considerably on developing their approaches to VFM and guided retirement, Grant says.

Meanwhile, he says that ongoing disclosures and publications, such as the chair's statement, have yet to be rationalised.

Levies are another source of pressure. The Department for Work and Pensions has proposed increasing general levy rates over three years from 2027/28, with annual increases varying by scheme type. These range from 5 per cent for DB and hybrid schemes to 9 per cent for master trusts and personal pension schemes.

Grant suggests the levy has a disproportionate impact on schemes with a high number of members with smaller pensions, given that it is charged on a per-member basis.

"Conversely, the Pension Protection Fund levy has now been disapplied for DB schemes – apart from the Alternative Covenant Scheme levy, which superfunds pay," he adds.

For DB schemes, the costs and governance agenda is becoming increasingly connected to decisions about endgame strategy, says Darracott.

"Many schemes are much better funded, so trustees and sponsors are considering what the scheme is ultimately trying to achieve, whether through insurance, consolidation or purposeful run-on," she says.

For DC schemes, the focus is more on how members manage the risks and decisions they face at retirement.

Darracott says: "For DC, members generally bear investment and longevity risks individually and, particularly at retirement, can face extraordinarily difficult decisions. This is one area where collective approaches such as collective DC could potentially help."

The pressures also raise a broader question for trustees. How much of the additional spending is unavoidable, and where could a different approach improve efficiency without compromising member outcomes?

Impact on schemes

"Rising costs tend to lead to a greater appetite to seriously consider whether regulatory and other costs make running the scheme in its current format viable," Mitchell says.

"Although, in fairness, some of the rising costs we're seeing in DB are related to schemes considering their endgame solutions."

For some DB schemes, this additional expenditure is part of preparing for their next stage, whether that means buyout, consolidation or continuing to run on.

Vassou notes that rising costs are driving the push to buyout for smaller schemes, with sponsors taking the view that moving to an insurer will remove the disproportionate costs of running a pension scheme.

However, Darracott warns that cost alone should not drive an endgame decision.

"Buyout, run-on or consolidation should fundamentally be decisions

about the best long-term outcome for members, not simply ways of removing an annual governance bill," she stresses.

"As schemes become better funded, there is more choice rather than less. Trustees need to be clear about the outcome they are trying to achieve before deciding what operating model best supports it."

Funding levels are also influencing the options available to DB schemes.

Grant says strong funding positions are the biggest driver, with schemes "being pushed by the regulator to consider endgame options".

"While 60 per cent of schemes are in surplus on a buyout basis, many schemes are looking at various consolidation options, including insurance, superfunds and DB master trusts, which allow them to benefit from economies of scale," he adds.

Alongside these longer-term decisions, schemes are also reviewing their day-to-day operating models.

McLaren says running costs and the reserves needed to meet DB scheme deficits are receiving greater attention in long-term funding plans.

As a result, she says that some trustees and sponsors are reviewing their operating models, including bundled services, professional trustee arrangements and master trusts.

The pressure to find efficiencies is also driving consolidation in DC.

Grant says: "Increasing costs, especially from a regulatory compliance perspective, have driven consistent rates of consolidation, with the market shrinking in number by around 15 per cent each year".

However, Darracott warns that "consolidation should never become an objective in itself".

Instead, she argues the test should be whether scale produces better outcomes for members, rather than simply lowering the cost per member.

She notes that this distinction is particularly relevant in DC, where government policy explicitly seeks greater scale and consolidation.

For schemes that remain in their existing structures, changing how governance is delivered may offer another way to manage costs.

Darracott suggests the answer is not to "simply negotiate every individual fee harder but rather, to step back and ask whether the overall governance model remains appropriate".

She highlights delegation as one possible response.

"The conversation should not be about minimising costs at any price. The real objective is ensuring that scheme expenditure delivers better governance, stronger risk management and ultimately better outcomes for members"

"Fiduciary management, consolidation, master trusts and other outsourced models can create scale and simplify governance where appropriate," she says.

"That does not remove trustee responsibility, but it can allow trustees to spend more time on the decisions that genuinely require their judgement.

"From my experience as a trustee, the scarcest resource around the trustee table is often not money but time and attention. A good governance model should use both intelligently."

Beyond cost-cutting

While consolidation and endgame solutions can offer opportunities to manage costs, neither guarantees better value for members. The right approach will depend on the scheme, its circumstances and what it is ultimately trying to achieve.

XPS head of DC investment, Mark Searle, says: "Consolidation into a master trust can spread some costs across a wider base, leading to efficiencies."

However, he cautions that the test is whether those efficiencies translate into better value for members, rather than assuming that a larger arrangement is necessarily a better one.

Searle suggests that embracing off-the-shelf solutions, with some tailoring where needed, could help deliver the government's intention for economies of scale and improve expected member outcomes without materially increasing running costs, while leaving some control with trustees and employers.

For DB schemes, stronger funding levels have brought endgame decisions into sharper focus, with trustees considering de-risking, superfunds or continuing to run on.

The challenge is to identify which approach best meets the scheme's long-term objectives, rather than simply opting for the cheapest available solution.

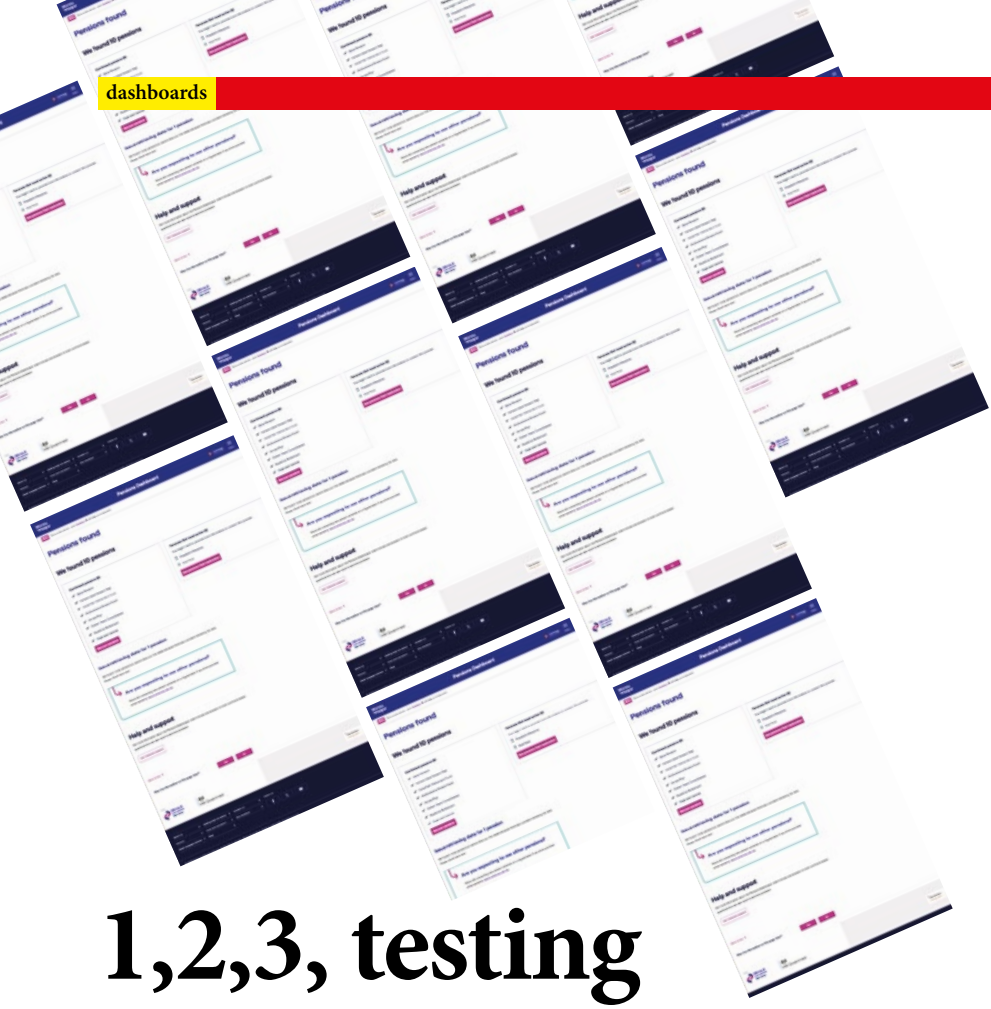
Mitchell argues: "The conversation should not be about minimising costs at any price.

"The real objective is ensuring that scheme expenditure delivers better governance, stronger risk management and ultimately better outcomes for members."

Ultimately, trustees and sponsors will need to distinguish between costs that reflect necessary investment in governance, data and member protection; and areas where efficiencies can be made without compromising outcomes. The goal is not simply for schemes to spend less on running costs, but to ensure expenditure is justified.



Written by Paige Perrin



1,2,3, testing

With MoneyHelper's pensions dashboard now open for user testing, it's little surprise that industry professionals are putting it through its paces. We gather their first-hand experiences and insights as they test the service for themselves

I found the whole process smooth. It returned the pensions I was expecting, two DC pots, of which one had a live API feed, so it provided a value as of that day; the other one's value was about three months old.

The name of my employer was wrong on one of them, which was fine for me as my pension history was so simple, but if it was one of 10 that would have been hard to fathom out.

Overall, it is a great process. I think the early years will be hard due to data challenges, but it is a great design and once data is right a huge benefit to UK pension savers.

Hymans Robertson head of DC markets, Paul Waters

My experience of the pensions dashboard was broadly positive, although it highlighted some important challenges that the industry will need to address.

Perhaps most surprisingly, I found the GOV.UK One Login process relatively straightforward. However, I know anecdotally from friends and colleagues that identity verification can be a stumbling block for some users. While that isn't really a dashboard issue, it is part of the overall user journey and will influence how people perceive the experience.

Once logged in, I was pleasantly surprised by how quickly the information was collated. With the exception of one small stakeholder pension, the dashboard found exactly what I expected it to find. There were no missing pensions waiting to transform my retirement prospects, which was slightly disappointing from a personal perspective, but reassuring in terms of the system doing what it is designed to do.

The most interesting aspect was how differently pension information was presented by different providers. I wasn't expecting some providers, such as Legal & General, to provide what appeared to be near real-time valuations, while others were displaying figures based on data from much earlier in the year, or even from the previous year. Seeing those valuation dates side-by-side brought the issue of data recency into sharp focus.

I was also struck by the retirement income projections. The income figures shown were higher than I expected and I found myself having to dig into the underlying information from each scheme to understand the assumptions being used. In particular, the projected outcomes appeared to rely on future contributions continuing at current levels through to retirement, which may not reflect how many people actually save over their working lives.

For me, this points to a presentation challenge rather than a data challenge. The assumptions underpinning retirement income illustrations need to be much clearer at the outset. Users should be able to understand what level of future contributions, investment growth, inflation, increases and dependant benefits are being assumed before interpreting the projected income figure.

Overall, I would regard my experience as a success. The dashboard found the pensions I expected it to find, and I had no possible matches or tracing issues.

Broadstone head of policy, David Brooks

Logging in is hard. I questioned the choice of One Login from the start. It was much quicker than the 10/25 minutes

quoted for with/without existing One Login account but still, every time there is a choice between one click or two, two is chosen.

At this stage, most will plough on but I suspect many target users will read an introduction saying it will take 25 minutes to login and simply go and do something else.

On the first login, it found all my pensions. Actually, one more than I expected but unfortunately not a pot I'd forgotten about – at some point in past decade I tested Nest sign-up process to see how easy it was (very) and now I have a Nest account with £0.

Why do I have to click on so many compliance pages every single time I login? Surely the dashboard can remember that I clicked to say I confirmed details, I understand what the dashboard will do, I agree with data protection and only repeat if login is more than 'n' days ago. I'd put them all as links on a single page so people who want to read detail can, but the rest of us can have a one-click agree and continue.

The 'find pensions' seems a bit hit and miss; Mainly hit but not sure why I got different results on different logins. Sometimes when I login a pension is missing, including the state pension on one occasion.

When state pension is present, the link for more information on how the state pension is calculated goes to a Maps page explaining different types of pension. I was expecting it to go to the check your state pension page.

Only one of my providers is providing up to date data – well done Legal & General. It's 2026 – they all provide me up to date figures in their apps/websites so why not on the dashboard?

Only one provider shows the correct employer and it's not my current employer! For most, employer is either missing or some provider/fund word salad – not meaningful at all to a user.

I know this was a choice by the programme but I always said it was odd to exclude actual pensioners from the pensions dashboard. When I first logged on, I saw all seven of my pensions. Now, I only see five. I first thought this was a manifestation of the missing pensions I mentioned above but it's because during this period, I have taken some cash from two of them. So now my two biggest pots don't show up. Taking a good chunk of the over-55 population out of the target user base always seemed wrong to me.

I quite like the timeline for income but probably need some more thinking about how to show total income when figures from providers are as at different dates. Maybe take the figures and adjust to move to a single date? The state pension date seems a sensible default but the user could perhaps slide the date up and down? However, it would require some calculations in the dashboard infrastructure rather than merely displaying data provided.

WTW associate director, Alan Chaplin

I've been excited about the pensions dashboard for more years than I care to remember so I was excited to take part in user testing for the MoneyHelper Pensions Dashboard.

I appreciate this was research panel testing and the whole point is to identify issues and improve the experience before launch but three things immediately jumped out at me:

1. My main pension pot was significantly understated. It showed the (small) cash holding, but not the majority of the pension that was actually invested – this of course led to immediate panic!

2. None of my DB pensions appeared, only my DC pensions were shown.

3. The dashboard showed a pension with a provider I was unaware of and hadn't heard of; it also had no valuation.

That last one led to me calling the provider, spending 55 minutes on hold before being cut off – I gave up.

I'm about as engaged as it gets when it comes to my pensions but the majority of people aren't. That's why the UX needs to be world class, the engagement strategy spot on and the education designed to genuinely get people interested in their retirement.

Wesleyan product lead, Jay MacDonald

LinkedIn post, republished with permission

Like many in the industry, I've had a go at the beta pension dashboard. Apart from the rather long registration process, it was a fairly easy experience, and found my simple pension arrangements quickly.

After the dashboard shows you your pensions, it tells you to 'Get retirement guidance'. That link takes you to this public page on MoneyHelper. It's not bespoke for my journey (one option is 'see your total retirement income', which I've just done) and there are a lot of options.

I like that the options are action-driven – about doing things rather than getting loads of information. But I wonder if there's enough help here to get a user from the dashboard results to an appropriate action for them.

Quietroom director, Simon Grover

LinkedIn post, republished with permission

£143k a year. If only.

My first pension dashboard experience gave me a pension income of £143,000 a year.

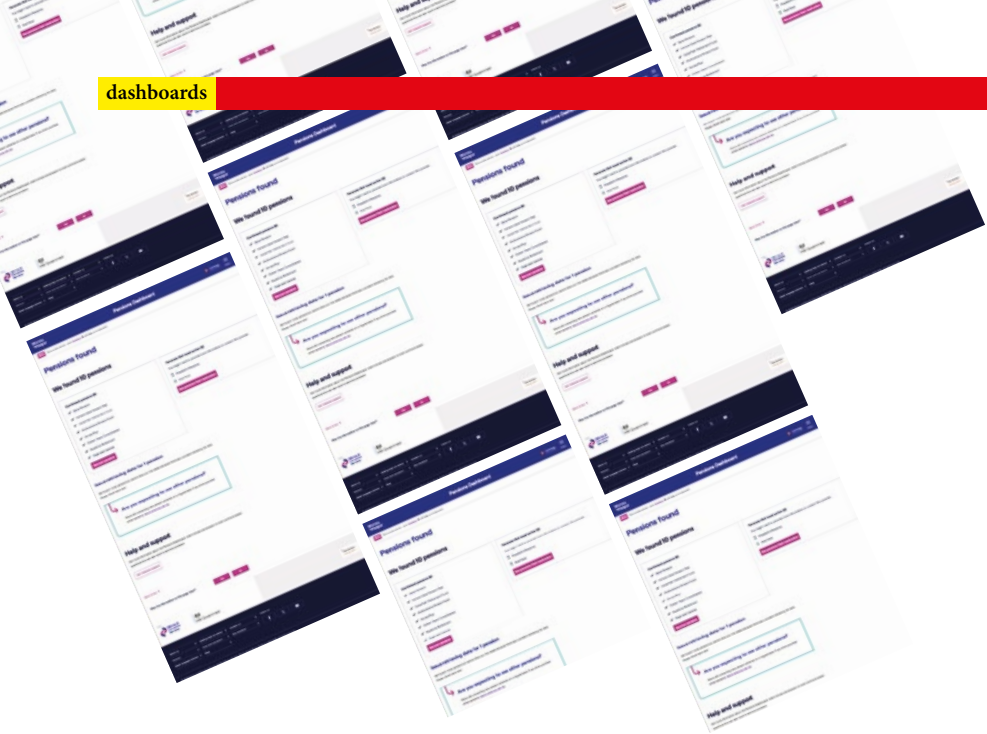
Sadly, it wasn't a pension brag. The figures were wildly wrong.

But the 'find' bit really worked.

It found seven of my eight pensions, including a £1,800 pension from when I was a waiter in Garfunkel's Glasgow in the 90s. I knew it was there, but I'd had trouble tracking it down. Dashboard found it on day one.

And it wasn't alone. My Scottish Widows workplace pension was there on day one and up to date. State pension, day one. ReAssure, day one with a value from the previous month. Scottish Amicable DB took a week, but when it arrived it looked right.

So the find works. The problem was



some of what came back with it.

One DB scheme was missing completely. Another arrived with what looked like a phantom DC pot, including an income figure equal to the fund value.

An old occupational DC pension was using a value from June 2025 and, despite being marked inactive, appeared to assume contributions were continuing, creating another chunk of phantom retirement income.

And a SIPP sat there pending. Having chased it, it turns out the firm is using data from a 2024/25 Annual Benefit Statement.

Add it all together and, hey presto, my £143k-a-year pension.

But I've used the links and processes in the dashboard, contacted the schemes and got almost all of it cleaned up.

I've lost tens of thousands of pounds of imaginary pension income in the process, but I've ended up with something much more useful: a dashboard that's pretty much right.

And that's why I'm really positive about this.

Finding pensions from different jobs, different decades and different providers in one place is a big deal. In my case, it even tracked down a pension I'd struggled to locate myself.

But there's an opportunity right now for those of us working in pensions.

Get on there. Check our own data. Get the errors cleaned up. And call out the laggards.

Then, when millions of customers start doing exactly what I've just done, hopefully they get a great experience from the very first touch.

Scottish Widows pension expert, Robert Cochran

Updated LinkedIn post

What I liked – information presented was clear, it found all my pensions, it gave me a means to find out more about each pension. What was not ideal was my AE fund value provider was way out of date to what they have as my fund value on their member page, one DB provider confirmed I had a pension but could not, and still have not, advised me of the current value and the verification process is complex (although I suspect needs to be). The last point could put many off through people not wanting or trusting to provide that level of information.

Target Professional Services, head of client services, Andrew Hayward

LinkedIn post, republished with permission

I found using the pensions dashboard really easy. Because I was already set up on Government Gateway, getting in was quick and painless. And after 30 years working in pensions, it was the first time I've ever seen all of my own pensions in one place, which was a genuinely striking moment!

Two things stood out. First, the focus on estimated retirement income rather than pot size. That's what people actually need to know: not "how much have I got?" but "what will it give me to live on?" Second, the timeline showing how my pensions build up to state pension age. Seeing that laid out visually made my retirement feel tangible in a way a list of balances never does.

Since first getting in, I've logged in multiple times, because for the first time it feels like my pensions are actually talking to me! That's the real test of whether this works, and in my experience, it does.

L&G managing director of workplace savings, Katharine Photiou

Money and Pensions Service response

It's fascinating to read the comments from industry experts some of whom have been with us all along the journey. When someone logs into the MoneyHelper Pensions Dashboard, we want them to feel they've received a useful overview of their pensions and can start making more informed decisions about retirement. Our extensive testing of the dashboard means we can better uncover issues and refine the service to provide the best experience for everyone.

Getting a good experience for customers means that pensions data held by providers and schemes needs to be accurate and up-to-date. We're encouraging industry to go beyond the minimum standards and ensure data is as good as possible. That way we will all make the MoneyHelper Pensions Dashboard the biggest change to pensions engagement in a generation.

Money and Pensions Service CEO, Oliver Morley

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David Fairs

Admin to the fore

Paige Perrin sits down with Pensions Administration Standards Association (PASA) chair, David Fairs, to discuss PASA's current areas of focus, its opinions on the current reforms and the future of pension administration

The Pensions Administration Standards Association (PASA) recently published its updated strategy for 2026–2030. What are PASA's current key areas of focus, and what changes does it hope to see by the end of this period?

Our starting point is the experience members receive. Administration is where pension promises become real: contributions are recorded, benefits calculated, communicated to people in a way that they can understand and make informed decisions, questions answered, and pensions paid. The quality of administration directly affects people's confidence and financial wellbeing.

Our strategy brings together member outcomes, policy influence, standards, data and resilience alongside better communication, professional recognition and effective delivery. We want administration expertise involved earlier in decisions about pensions policy, with practical experience informing what's proposed and how it's implemented.

This is already happening, with a ministerial round table on administration earlier this year, and we have been supporting the Department for Work and Pensions as it thinks about greater regulatory oversight of professional trustees and administrators.

By 2030, we want to see every member in a pension scheme that is delivering a high-quality and efficient service where people understand their options, and it's easy for them to achieve the retirement that they want.

The association has published several pieces of research and guidance on pensions dashboards this year, most recently on helping schemes resolve 'possible matches'. What are the key findings, and what should schemes and administrators be doing now to prepare for dashboards?

The central message is that readiness extends well beyond technical connection. Schemes need to understand what happens when someone finds their pension, asks a question or receives a possible match.

In the early days, we expect member contact with administrators to rise significantly as they find pensions they didn't know about or query the information held on the dashboard compared to other sources of information.

Our latest guidance addresses the balance between making that experience straightforward, protecting personal information and managing enquiries at scale. Someone may be asked to contact an organisation they've never heard of about a pension they don't recognise. The response needs to be clear, reassuring and secure.

Schemes and administrators should be testing those journeys now: contact routes, identity checks, responsibilities, staff training and how outcomes are explained. They should also monitor what enquiries reveal about their data and processes, as well as exploring how technology and automation can respond to higher volumes of enquiry.

Dashboards create an opportunity to reconnect people with their savings. Good administration will be essential to turning that initial discovery into understanding and sustained engagement.

The Pensions Administration Career Pathways Framework was developed at a time when the industry faces ongoing skills and resourcing challenges. What is the framework designed to achieve, and how could it help address these issues?

We need people to see pensions administration as a profession offering varied, rewarding careers. The perception of administration needs to change. Often, a foundation in pensions administration covering technology, project management, communication and artificial intelligence (AI) is a good foundation for a broader career in pensions or indeed in many broader careers. Too often, the breadth of those opportunities is difficult to see.

The framework provides a shared way of describing roles and capabilities across different job families. It recognises a successful career might develop through technical expertise, member operations, technology, risk, projects or leadership. Progression can involve moving between specialisms as well as taking on greater responsibility.

For employers, this provides a basis for development conversations, workforce planning and identifying skills gaps. For individuals, it makes opportunities and

development needs more visible.

It won't solve resourcing pressures on its own. But clearer pathways, supported by qualifications, training and experience, can help attract people, retain expertise and build the capabilities administration will need as the industry changes.

Upcoming default retirement reforms are expected to create new operational demands for pension scheme administrators. What are the key challenges, and how might they affect scheme administration and member outcomes?

Guided retirement has considerable potential to help people who find retirement decisions difficult or don't engage because of jargon or the complexity surrounding pensions. Delivering that potential will require administrators to support a more sustained relationship with members through retirement.

People reaching retirement are more varied than ever before, both from an economic and social perspective. Retirement options may need to accommodate different income levels, changing circumstances, tax considerations, as well as information coming together from several organisations. Administrators will need the right data, clear responsibilities and processes which ensure payments are accurate and reliable. Communications must help members understand the default, the alternatives, what those alternatives mean for them and what they need to do next.

Our Operational Readiness Guidance encourages schemes to assess those capabilities now. There's useful preparation they can undertake while the detailed framework develops.

Administration needs to be involved from the outset. Decisions about products and member journeys create operational consequences, costs and dependencies. Understanding these early will help avoid delivery problems and give members a better chance of receiving the support the reforms intend.

As technology and AI continue to reshape financial services, how can pension schemes and administrators embrace innovation while maintaining strong governance, protecting member data and meeting their regulatory and fiduciary responsibilities?

Technology and automation can improve efficiency, accuracy and reliability of service to members. AI has the ability to deliver a more tailored experience to members in a format that they prefer to engage with. From a scheme's perspective, AI can free up experienced administrators to deal with less straightforward cases and improve personal engagement with members.

We expect trustees to put in place strong governance policies and controls around the use of AI; We expect clear ownership, defined uses, appropriate testing and controls over the information it can access. The capabilities around AI and its uses are developing at an astounding pace. Supplier assurance and ongoing monitoring matter as much as the initial decision to adopt a tool.

Trustees and providers need to think carefully about the use of AI and its implementation. Administration often needs decisions to be made with imperfect information, empathy in dealing with members at difficult times and judgement. Areas where people are unlikely to be replaced.

What more can be done to improve pension transfer times and make the process smoother for members and administrators?

Members should be able to expect transfers to progress promptly, with appropriate safeguards and clear information about what's happening. Achieving this requires organisations to work together across the whole journey.

There's scope to improve the consistency of information requested, the quality of data exchanged and how cases move between schemes, administrators, providers and advisers. Clear requirements at the outset can reduce repeated questions and avoidable delays.

We should also distinguish straightforward cases from those requiring additional investigation, with checks proportionate to the circumstances and applicable requirements. Where a transfer is delayed, members need an explanation and a clear route for resolving outstanding issues.

PASA's transfers work is focused on practical improvements, including data standards and greater consistency. It is an area that we are currently working on with regulators.

How is administration adapting to industry changes while keeping day-to-day operations running smoothly?

Administration teams are managing substantial change alongside responsibilities which continue every day. Members still need their pensions paid, bereavements handled sensitively and retirement benefits processed accurately.

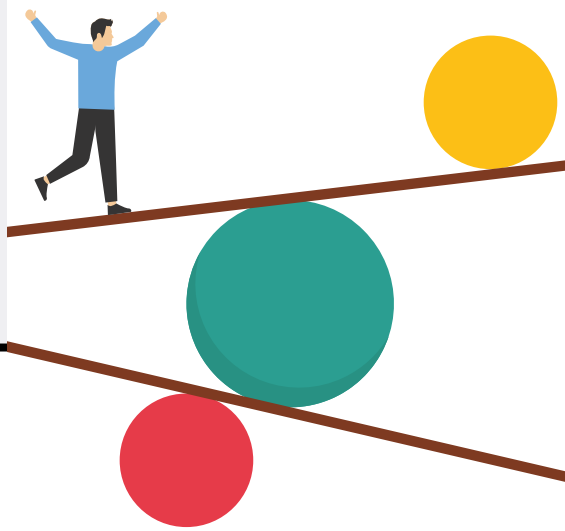
That makes prioritisation, capacity planning and realistic implementation timetables essential. Trustees, providers and policymakers need to understand the cumulative demands on the same people, systems and suppliers. Each initiative may be manageable individually, but its impact depends on everything else being delivered alongside it.

Investment in data, technology and people can strengthen everyday service while creating capacity for future change. But in itself that puts pressure on the same resources.

PASA can help by bringing operational expertise into those conversations and sharing practical approaches. The industry's ability to adapt depends on recognising administration's role early and giving it the resources and attention needed to deliver reliably.

Written by Paige Perrin

Summary
- Pension freedoms shifted greater responsibility onto individual savers, raising concerns about whether members have sufficient knowledge and support to navigate complex retirement decisions.
- Targeted support and guided retirement could help schemes strike a better balance between providing greater protection and guidance while preserving individual choice.
- Industry experts argue that schemes must move beyond simply improving member engagement, focusing instead on well-designed defaults, tailored support and delivering better retirement outcomes.



Finding the balance

As targeted support and guided retirement reshape the pensions landscape, the industry is reconsidering how much responsibility schemes should take for their members' decisions. But after a decade of pension freedoms, how can schemes provide proper support for savers without undermining individual choice

Pension freedoms, introduced in 2015, were intended to give savers greater control over their retirement, but more than a decade on, questions remain over whether the industry has placed too much responsibility on individuals.

While the reforms offered greater flexibility and choice, they also left many defined contribution (DC) savers facing complex decisions about how to manage their retirement savings, often without the knowledge or confidence to do so.

Now, with developments such as targeted support and guided retirement, the balance appears to be shifting back towards greater involvement from pension schemes and providers.

But as the industry looks to provide more meaningful support, how far should schemes go in helping members, and could the upcoming reforms signal a return to pension paternalism?

A return to paternalism?

More than a decade on from the reforms, Van Lanschot Kempen Investment Management UK chief executive officer, Michelle Darracott, argues that the industry must recognise the extent to which responsibility for retirement decisions has shifted onto individual savers.

"Pension freedoms gave people valuable choice, and it is important to ensure that remains, and it is not taken away. However, choice and pensions expertise are not the same thing," she notes.

"We should not design the system around an assumption that every pension saver wants to become a pension expert. Most do not, and they should not have to."

TPT Retirement Solutions head of policy and external affairs, Ruari Grant, agrees, warning that DC savers are now expected to manage longevity, investment, inflation and tax risks themselves.

"For members more inclined and able to engage in complex decisions, more support has been available. The gap has been for those members needing more help," he argues.

However, with the Pension Schemes Act 2026 placing greater emphasis on scheme responsibility for retirement outcomes, questions have emerged about whether the industry is moving back towards the paternalistic approach that pension freedoms sought to move away from.

Hymans Robertson head of DC corporate consulting, Hannah English, argues that targeted support and guided retirement do bring back an element of paternalism, but suggests this is not necessarily a negative development.

"So perhaps this is a new form of paternalism, but it is softer and more flexible," she says.

"It's not saying 'we know what is best for you'. It's saying 'you shouldn't have to become a pensions expert to achieve a decent retirement outcome.'"

However, English also warns that increased scheme responsibilities bring additional governance and regulatory challenges, particularly around the boundary between guidance and regulated advice.

"There are questions around where guidance ends and regulated activity begins, how schemes evidence that a default or pathway is appropriate for

the population it serves and how that is monitored as member needs change.

"Doing nothing isn't risk free either. A member can save sensibly for 30 or 40 years and still make a poor decision at retirement that materially affects their outcome if good support isn't in place."

Moving beyond engagement

For years, pension schemes have focused on improving member engagement, with providers investing in communications, financial education and digital tools to encourage savers to take a more active role in their retirement planning.

However, persistent low engagement has raised questions about whether this approach can deliver the support members need.

Darracott argues that more information will not necessarily lead to greater engagement or better decisions.

"The challenge is not simply how we make members engage more. It is how we design pensions that still work when they do not," she suggests.

This challenge has become particularly apparent as automatic enrolment (AE) savers approach retirement.

While AE has successfully brought millions into pension saving without requiring active decisions, the same approach has not historically extended into decumulation.

The People's Pension product and proposition director, Kirsty Ross, highlights this disconnect.

"While AE has helped millions of savers build pension savings without needing to engage with complex pension decisions thanks to inertia, it's also unrealistic to expect those same people to become pension income experts when they reach retirement," she explains.

Echoing this, Grant highlights the limits of relying on engagement alone, citing government research suggesting that 77 per cent of DC savers who had not accessed their pension lacked a clear plan for how they would do so.

"That's why the move towards offering a well-designed 'do-it-for-me' option is the right one," he adds.

Meanwhile, IGG trustee director and head of DC, Priti Ruparelia, describes the mixed messages members have received.

"When AE came in, members were told not to worry, as the professionals would look after everything from default contributions to investment," she explains.

"Now, those same people are being asked to review their savings and make potentially life-changing decisions."

For Ruparelia, the answer lies in establishing a clearer understanding of when members can rely on their scheme and when they need to take an active role in decision-making.

> **"We should not design the system around an assumption that every saver wants to become a pension expert"**

A more targeted approach

The introduction of the Financial Conduct Authority's (FCA) targeted support regime earlier this year represented a significant development in addressing the gap between generic guidance and regulated financial advice.

By enabling authorised firms to offer suggestions to groups of consumers with shared characteristics and financial support needs, the regime creates an opportunity to deliver more relevant, timely interventions.

Legal & General (L&G) CEO, DC and workplace savings, Paula Llewellyn, argues that targeted support could help address one of the industry's longstanding challenges.

"While guidance can help members understand the range of options available, it is limited in helping people to identify which options may be most relevant to them," she explains.

"Targeted support helps bridge that gap by providing more relevant support based on people in similar situations."

However, Llewellyn acknowledges that group-based suggestions cannot capture every aspect of an individual's circumstances, meaning personalised financial advice will remain important for those facing more complex decisions.

Questions also remain about how providers can ensure targeted support genuinely focuses on member outcomes.

"The purpose of targeted support should be to help people make better-informed decisions, not steer them towards products," Llewellyn stresses.

For Ruparelia, the effectiveness of targeted support will also depend on schemes making better use of member data to understand individual needs.

"It comes down to personalisation and accessibility," she says.

By using accurate data to segment members into relevant groups, Ruparelia argues that schemes can provide more tailored support to those who need it, while avoiding unnecessary communications that could contribute to member fatigue.

Guiding members into retirement

While targeted support could help savers make more informed decisions, guided retirement represents a potentially more fundamental shift in the relationship between schemes and their members.

By introducing a framework for retirement solutions designed around members' needs, the reforms seek to address the lack of structured support when savers begin drawing on their pension savings.

Nest chief customer officer, Gavin Perera-Betts, describes their potential impact: "We see guided retirement as a significant opportunity to improve retirement outcomes for millions of people with the potential to deliver the balance by helping members navigate retirement with greater confidence, without requiring them to become pension experts."

Grant adds: "AE shows the power of getting the default right during the saving phase.

"We should apply the same thinking at retirement by combining choice with well-designed pathways that work for people who don't want to become pension experts."

Echoing this, Nuveen head of UK institutional, Sophie Ballard, highlights the potential benefits of integrating lifetime income products into retirement pathways.

"Schemes and providers need to take a more active role in helping members convert accumulated savings into lasting retirement security, rather than leaving the retirement journey without a structured pathway."

Nuveen's research suggests that international approaches could offer useful lessons, with Switzerland and Chile achieving annuitisation rates of 55-60 per cent among eligible retirees without making annuitisation compulsory.

Ballard suggests that "integration rather than a mandation approach should work best for the UK, as when unnecessary friction is removed, people appear to make sensible decisions appropriate to their circumstances."

Such approaches could offer a middle ground between the security associated with traditional pension arrangements and the flexibility introduced by pension freedoms.

Where does responsibility end?

As schemes take a more active role in supporting members, questions remain about where their responsibilities should begin and end, particularly where retirement decisions could have irreversible consequences.

For trustees and providers, greater involvement in member decisions brings additional governance and regulatory considerations.

Ruparelia highlights this challenge: "Ultimately, trustees can't provide direct advice and don't automatically have sight of a member's wider financial circumstances.

"If implemented correctly, the new targeted support regime and well-designed guided retirement regulations should help with this to an extent.

"The key is to make sure the support is coming from somewhere and that we meet members where they are."

She also stresses the importance of keeping support relevant to members' changing circumstances, particularly when investment strategies automatically de-risk pension savings as retirement approaches.

Ross agrees that schemes should use available information to protect members against foreseeable harm, while preserving their ability to make their own decisions.

"Member consent remains essential for decisions with irreversible consequences, such as triggering tax liabilities or entering products that include longevity insurance," she warns.

For Darracott, the industry needs to be more ambitious about the support it provides at retirement.

"Schemes cannot and should not make every personal decision. But there is a very large space between doing that and simply presenting members with information and saying the decision is theirs," she argues.

Grant also points to the need for appropriate safeguards, including cooling-off periods, where members face decisions that could be difficult or impossible to reverse.

Measuring success

Ultimately, the success of these reforms will depend on whether they deliver better retirement outcomes, rather than simply increasing the amount of support available.

Darracott says this means moving away from judging schemes on the volume of communications or services they provide.

"Activity is not the same as outcome," she stresses.

"Good member support should ultimately be judged, at least in part, by whether it changes what happens to people."

English agrees that schemes should focus on outcomes rather than simply meeting compliance requirements, arguing that the industry needs to look beyond traditional engagement measures, such as email openings or website clicks.

Instead, she suggests providers and regulators monitor behaviours such as withdrawing savings too quickly, holding excessive cash or underspending because members worry about running out of money.

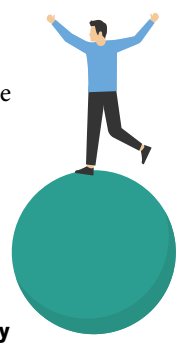
Meanwhile, Grant emphasises that outcomes must be assessed in the context of members' circumstances, given that factors such as earnings and contribution levels are outside schemes' control.

The real test

The introduction of targeted support and guided retirement suggests a growing recognition that pension freedoms, while offering greater choice, have also left many savers facing decisions they are neither equipped nor willing to make.

However, greater scheme responsibility does not necessarily mean a return to the paternalism of the past.

Instead, the challenge is to develop a system that provides effective support for those who need it, without restricting the choices of those who want to take a more active role.

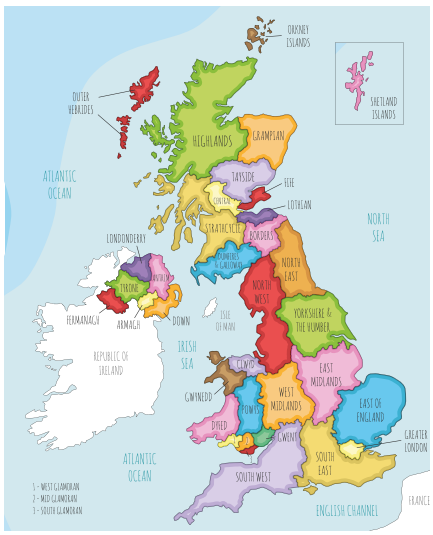


As the industry looks to put these reforms into practice, the real test will be whether they can translate greater support into better retirement outcomes, rather than simply adding another layer of complexity for members.

Written by Callum Conway

Broadening horizons

As in many other sectors, much of the UK's pensions industry is run from London. While there are some other cities where it has a significant presence, is this over-concentration of the industry making it more difficult to attract the talent it needs and to serve pension savers and scheme members effectively?



Here's a little joke for you: People from Birmingham, Manchester and Liverpool are asked which they think is the second most important city in the country. Brummies say Birmingham. Mancunians say Manchester. Liverpudlians say, 'Well, it's probably London …'

Liverpool is a fantastic place, but in truth no British city comes close to London for economic and political power. More than nine million people live there, more than in Birmingham, Leeds, Glasgow, Manchester, Sheffield, Bradford, Edinburgh and even mighty Liverpool put together. Despite the establishment of devolved parliaments and regional authorities, the relocation of some central government jobs to other cities and the opening of Andy Burnham's new Number 10 North in Manchester, London is still indisputably the centre of political power in the UK. Most large corporates have their national headquarters there, and many of the UK's industries employ more people in and around London than anywhere else.

Pensions is no exception. True, the sector has a sizeable presence in many cities, particularly Edinburgh, but most people who work in pensions still spend quite a lot of their time either in London, or working closely with colleagues based there. Might that be creating problems for the industry?

"A large portion of pensions professional roles and talent is concentrated in London and Edinburgh," says Pensions Management Institute (PMI) chief customer officer, Varsha Gicas. "But following the pandemic a lot of corporates adapted to remote and digital working models. Some have created regional offices as well, and we now see some operational roles within large regional hubs like Liverpool, Leeds, or Bristol."

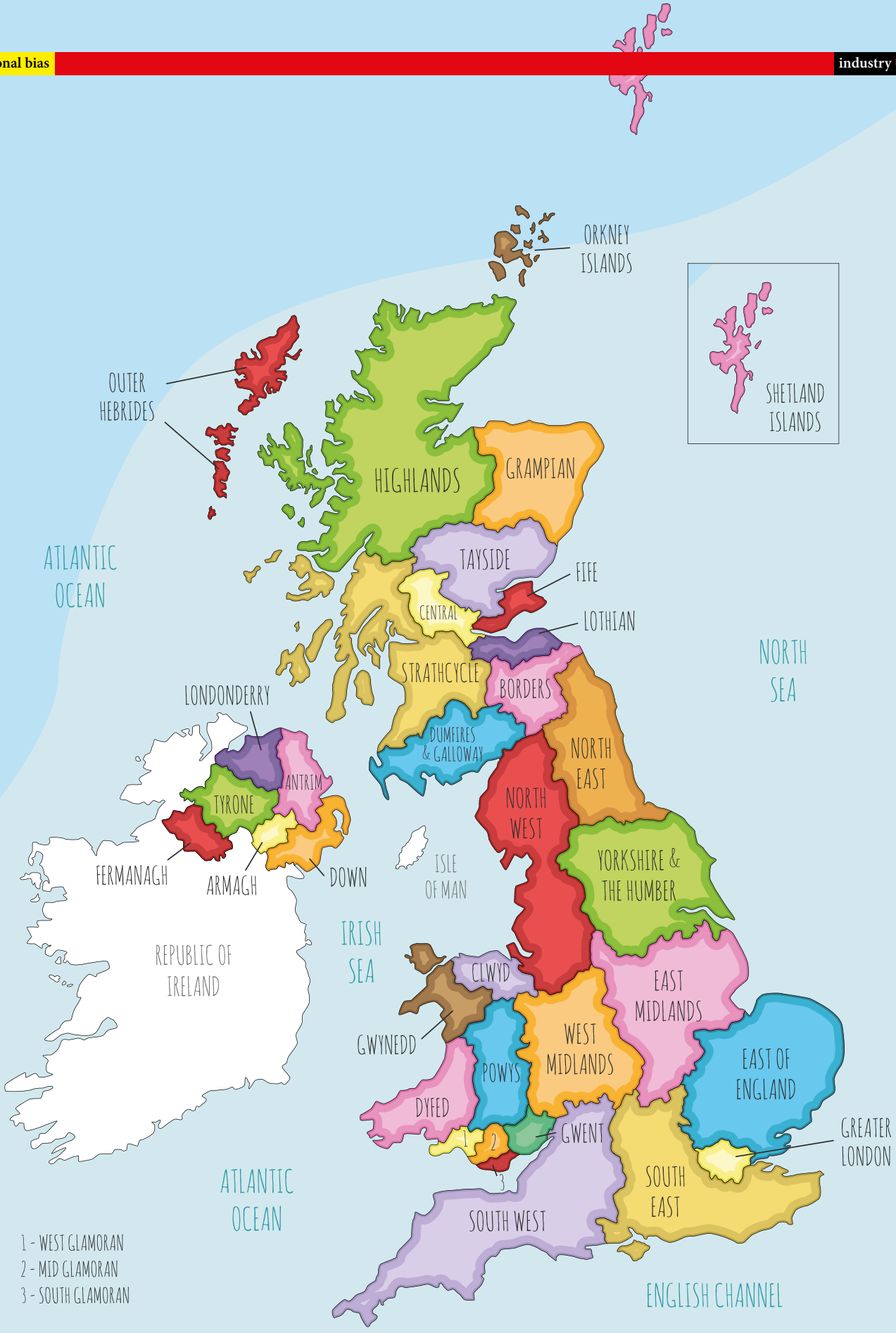
"Edinburgh and London are both important centres of expertise, but I don't think that's the whole story," says Pensions UK director of policy and regulation, Philip Brown. He points to examples of major pension institutions that take a more regional or locally focused approach, such as the Local Government Pension Scheme (LGPS), which has dozens of different administering authorities across the UK. Other major pension schemes have always been based in regional cities, such as the Universities Superannuation Scheme (USS), run from Liverpool since 1974.

London is still an easily justified location of choice for many pensions industry businesses and organisations, but this is not helping the PMI to fulfil one of its key goals: To make pensions "a profession of choice, rather than a profession of chance", says Gicas. She argues that it is more difficult to do this if most jobs are in London or Edinburgh, in part because it is so difficult for young people on graduate-level salaries to afford to live in or commute to these cities.

The Border to Coast Pensions Partnership, which provides investment pool management for a number of LGPS funds, is based in Leeds. Its chief people

Summary

- Like many other industries, the pensions industry is largely run from London, although its businesses and other organisations also employ significant numbers of people in other cities, particularly Edinburgh.
- The development of healthy financial services and pensions industry businesses in other major cities, and the spread of hybrid working patterns during and since the pandemic have both altered the situation a little, but many senior roles are still based in London or Edinburgh.
- Negative effects of this situation may include restricting the ability of the industry to recruit and retain talent, and a tendency towards groupthink, including a failure to understand the needs and perceptions of some of the people who the industry is supposed to serve.
- There is some awareness of the potential scale and dangers of this situation, but more action is needed to ensure the pensions industry can serve the whole of the UK as effectively as possible.


ORKNEY ISLANDS
SHETLAND ISLANDS
OUTER HEBRIDES
HIGHLANDS
GRAMPIAN
TAYSIDE
FIFE
CENTRAL
LOTHIAN
STRATHCYCLE
BORDERS
DUMFIRES & GALLOWAY
NORTH EAST
NORTH WEST
YORKSHIRE & THE HUMBER
EAST MIDLANDS
WEST MIDLANDS
EAST OF ENGLAND
GREATER LONDON
SOUTH EAST
SOUTH WEST
GWENT
POWYS
DYFED
CLWYD
GWYNEDD
ISLE OF MAN
LONDONDERRY
ANTRIM
TYRONE
FERMANAGH
ARMAGH
DOWN
REPUBLIC OF IRELAND
ATLANTIC OCEAN
ATLANTIC OCEAN
IRISH SEA
NORTH SEA
ENGLISH CHANNEL
1 - WEST GLAMORAN
2 - MID GLAMORAN
3 - SOUTH GLAMORAN

officer, Louise Bryan, fears that: "If career opportunities are concentrated in a small number of locations, the industry risks overlooking talented individuals who cannot, or do not wish to relocate.

"Our experience at Border to Coast shows that successful organisations don't have to be in the traditional finance hubs," says Bryan. "Leeds has a fantastic talent pool, excellent universities and a growing financial and professional services sector … [that] creates exciting career opportunities while offering employers access to deep and diverse talent pools."

Attracting talent and avoiding groupthink

But as long as many of the most senior roles in the industry are still likely to be based in London or Edinburgh, some ambitious young people will feel that regional centres are not the best places to work, says Gicas. She fears that employers may not always be offering employees working in these locations access to leadership opportunities, training, development or professional networks that would be available to them in London.

The increase in hybrid working patterns seen in recent years, particularly during and after the Covid pandemic, may have helped organisations to access a broader range of talent, but it has not removed the need to travel into the office at least some of the time. Many people, particularly younger workers, also derive significant professional and personal benefits from being physically present in the workplace, as they build professional networks and learn from more experienced colleagues.

"Hybrid working has certainly expanded access to talent," says Bryan. "However, location still matters. People value being able to collaborate in person and build professional networks and relationships. That's why having strong regional centres and a focus on recruiting a diverse range of people is so important."

A more diverse workforce should also help the industry gain a better understanding of the people it is supposed to serve. Another potential negative side effect of an overly London-centric industry is groupthink.

"There's an issue around groupthink if you are recruiting the same sorts of people, who are then growing older in that industry and not really experiencing anything else," says research consultancy Ignition House founding director, Janette Weir. "A bit more diversity of thought is a good thing – a bit more understanding of other people's perspectives."

"We need to ask if we are creating barriers by only providing roles in London or Edinburgh"

She points out that many people's experience of retirement is likely to be very different from the experience of many pensions industry employees. She cites the example of homeowners assuming they can use their home as a source of retirement income by selling it and downsizing.

"When you speak to people in the regions who have done that, you tend to find they haven't actually made much money out of it," she says. "They've found there's a shortage of houses of the right kind, and maybe they have ended up with £50,000 after moving – whereas in London they might have been able to release many times more than that."

She also cites the findings of research projects with which she has been involved that have uncovered regional variations in responses when people are asked what happens to the money they save in their pension pots while they are still working. She says people living in or near London are more likely to have some understanding of the financial markets, in part because they are more likely to know someone who works in the financial industry.

"But in the regions, because they don't have that personal connection, there is much more of a sense of 'City Fat Cats', of people in London who are making lots of money out of my money," she says. She believes attitudes like these are translating into negative views of, and a lack of trust in the pensions industry. She cites the FCA's 2024 Financial Lives survey, which found that only 19 per cent of DC pension holders had a high level of trust in their pension provider.

"I think having a clustering of people all within a certain area doesn't help build trust," she says.

Expanding opportunities and increasing diversity

So, what more can or should the industry do to escape the reality and the perception of being overly focused on or influenced by London or Edinburgh?

"We should look to complement the existing centres by developing similar networks in regional hubs," says Bryan. "We play our role by being a member of the Yorkshire & Humber Financial and Professional Skills Commission, and by developing our Graduate Programme and apprenticeship schemes, to ensure talent is developed and stays in the region."

As Gicas says, "we need to ask if we are creating barriers by only providing roles in London or Edinburgh. It's all about making the pensions profession accessible for people, regardless of where they come from or where they're based."

She also highlights the PMI's Trustee Accelerator Programme, which seeks to support recruitment and development of people from a broader range socioeconomic backgrounds to serve as scheme trustees.

"It would be wrong to say that the sector is not doing anything," says Gicas. "All the professional bodies and the corporates that I speak to have got the right intentions. But there is still a long way to go."

Written by David Adams, a freelance journalist



Don't give up your day job

As trustees face a 'crowded' agenda of change, such as endgame planning and dashboards preparation, *Pensions Age* asks: How can trustees best manage these competing pressures without compromising the day job?



Trustees and advisers are incredibly busy and that doesn't look set to change in the short term. Short of a time-turner, there's no easy solution here. Prioritisation will be key. Trustees are master jugglers, well used to managing competing demands and interests, with a weather eye to their core duties and responsibilities. Trustees can draw on their governance frameworks and their risk management functions to prepare for the changes ahead. It's fundamentally important for trustees to carve out adequate time to fulfil their core duties to members, as these remain non-negotiable. Trustees should likewise lean on all support at their disposal, such as specialist committees and their advisers. Delegating effectively and ensuring that everyone is working towards clearly identified (and properly documented) common goals will be essential.

Sackers partner, Kirsty Pake

Trustees are facing increasingly crowded agendas at a time when activity in the de-risking market remains exceptionally high. While the industry has become effective at preparing schemes to transact, the next challenge is applying this discipline for transaction through to buyout. Where scheme data is accurate, complete, and well maintained, the path to buyout is typically far smoother. Where it is not, issues can lead to delays, duplication of effort and additional cost for all parties involved. The answer is to start planning earlier. Data cleansing, administrator readiness, and post-transaction support should be considered core elements of transaction preparation, rather than activities that begin once the deal has completed.

Aviva strategy and client director, Gareth Jones



Trustees need to be realistic about what can be achieved and clear about their priorities. A clear, scheme-specific plan can distinguish immediate deadlines from longer-term priorities. Trustees should also identify where projects can support one another. Better data, for example, helps with dashboards compliance, GMP equalisation and endgame planning, so investment in one area can deliver wider benefits.

However, the day job cannot be allowed to suffer. Members must still receive accurate, timely benefit payments and prompt responses to queries. These fundamental responsibilities should not be compromised by strategic projects. Trustees should therefore assess whether advisers and administrators have the capacity to maintain routine services while delivering additional work. Some providers have managed the recent pressures better than others.

Ultimately, good governance means balancing preparation for the future with the dependable service members need today.

Hughes Price Walker administration manager, Kathryn Davies



Technology is key to helping trustees manage competing priorities without losing sight of the day job. As we move towards the MoneyHelper Pensions Dashboard launch, it should provide clear, useful management information on pensions dashboards connection performance, integrated into existing BAU reporting, so exceptions can be flagged and addressed efficiently. Technology can also make trustee meetings more effective, particularly for those working across multiple schemes. Presenting information in consistent formats, aligned with recognised industry standards, means trustees can draw on their experience across appointments without wasting time reinventing the wheel.

More broadly, investment in data infrastructure, better systems and automation can reduce administrative burdens, improve efficiency and free up trustees to focus on strategic and regulatory priorities.

Lumera commercial director of data and dashboards, Maurice Titley



Trustee boards need to remember that when it comes to governance projects, 'everything everywhere all at once' is rarely the right answer. The most effective response to a crowded agenda is a proportionate, risk-based approach that focuses effort where it will deliver the greatest value for members.

That means prioritising activity against scheme objectives, regulatory deadlines and material risks, rather than treating every workstream as equally urgent. It also means looking for opportunities where a single project can achieve multiple outcomes. For example, data improvement exercises can support dashboards readiness while also strengthening endgame planning, insurer engagement and wider administration efficiency.

Particularly for smaller schemes, where governance budgets and trustee capacity are finite, maximising the value from each project becomes critical. Trustees should be asking how they can get the biggest return from the time and budget available.

Broadstone head of policy, David Brooks



The answer lies in joined-up, forward-looking planning. With support from experienced and trusted advisers, trustees should develop an integrated plan in which governance, data, training, and strategic objectives reinforce rather than compete with one another.

Good planning should not distract trustees from the day job; it should make the day job easier. A robust and effective system of governance, a focused training programme and a clear schedule of near-term priorities can reduce unexpected demands and help trustees act decisively. The objective is not to create more governance for its own sake. It's to ensure that each piece allows trustees to meet today's responsibilities while remaining ready for tomorrow's opportunities.

Cartwright Pension Trusts consultant, Rob Chandler



With an ever-expanding agenda, trustees can manage competing demands by treating capacity as a strategic risk, rather than simply devoting more time to the role. A clear, concise, annual business plan will distinguish statutory and time-critical work from longer-term strategic projects, with realistic milestones, named owners and explicit decisions about what can wait.

The board should then be able to focus meeting time on matters requiring trustee judgement. Regardless of the scheme size, short, decision-led papers and exception reporting help prevent day-to-day operational detail from drowning out key strategic discussion.

Good governance also means ensuring that the scheme has the right resources for its size and circumstances. Where capacity or expertise is limited, trustees should consider what additional support may be needed. Smaller schemes may need help where staffing and cost pressures are acute, while larger schemes may benefit from specialist project management for complex projects. In both cases, good project planning can help identify dependencies and potential bottlenecks early.

Finally, trustees should revisit priorities regularly, especially when financial markets or regulation change. Disciplined planning, effective delegation and proportionate monitoring help maintain day-to-day standards while advancing decisions that support members' security – the ultimate responsibility of trustees.

Zedra client director, Matt Race-Pridding

Trustees have never had the luxury of a quiet agenda. Funding regime change, regulation, ESG requirements and now data transformation, surplus opportunities and endgame planning all compete for attention. In that sense, today's challenge is not new; however, what is different is the pace of change. Dashboards, AI, evolving endgame options and rising member expectations are arriving together, creating both challenge and opportunity.

The answer is not for trustees to spend more time in operational detail. Quite the opposite. The most effective boards will focus on the strategic and human questions: Setting direction, exercising judgement, aligning stakeholders, navigating uncertainty and making decisions that improve members' outcomes. Technology can, and should, increasingly do the heavy lifting. Better data, smarter monitoring and AI-enabled analysis can improve implementation, identify issues earlier and streamline governance.

Hymans Robertson head of pensions policy innovation, Calum Cooper

History

Pensions history

The changing face of member trustees

We take member representation for granted, but it was not always like that.

Most trustee boards in the 1970s and 80s were dominated by the employer's senior management, and while some schemes appointed member trustees, most did not. A pamphlet, Pension Scheme Trusteeship, published by the NAPF in November 1975, illustrates the point. Rightly, if a little pompously, it concluded that "greater representation should have as its aim a growing awareness of the many problems involved and an improved understanding between employees generally and management. Such harmony is unlikely to derive from an ill-informed or uneducated approach to the role of trusteeship".

Statutory intervention came in the cautious reforms enacted in the Pensions Act 1995, which followed the Maxwell scandal. So, while a statutory framework was introduced under which schemes were required to appoint a minimum of one third member trustees, the Act allowed employers to opt out of prescribed requirements if a different approach to member representation was endorsed by members.

The attempt to build in flexibility rather than a 'one-size-fits-all' approach did not last. By 2004 the mood had changed in favour of greater prescription. The Pensions Act in that year removed the opt-out option for employers; for those trustees who felt they needed more guidance a draft Code of Practice on the subject was issued by The Pensions Regulator the following year.

Little chance of an ill-informed or uneducated trustee these days, member nominated or not!

www.pensionsarchivetrust.org.uk/ourcollections

Pensions Archive Trust director, Jane Marshall

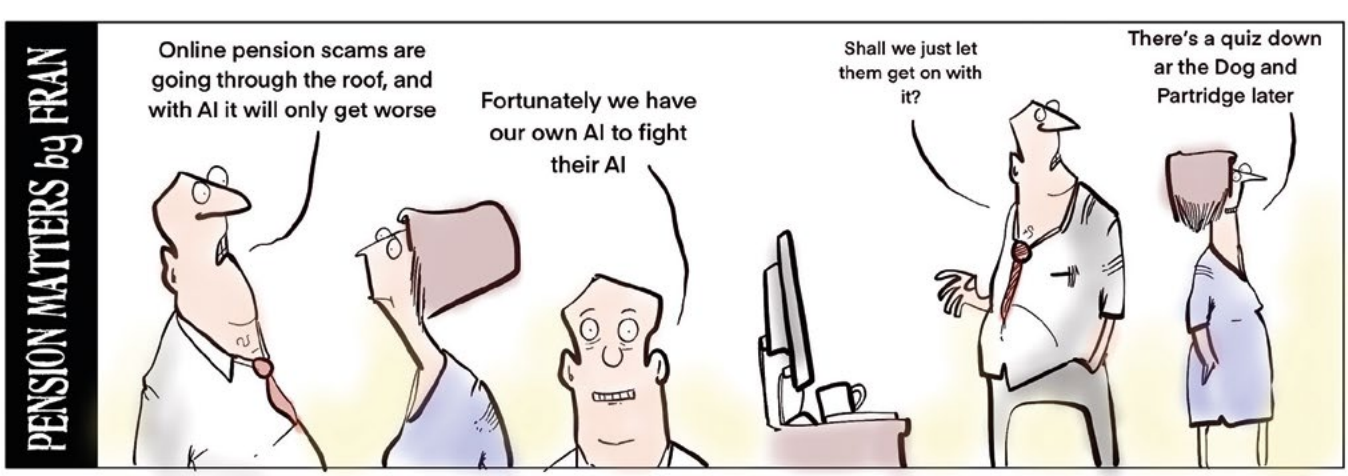
The bright side

***Pensions Age* takes a closer look at some recent good news in the pensions industry...**

On 20 November, **Re-engage** will bring together professionals from across the pensions industry for a dedicated Pensions Hour at the **Big Climb Against Loneliness,** taking place from 2 pm to 3 pm at Tower 42 in London. Teams from organisations including Aptia, JPMorgan, Aviva, Brightwell and Russell Investments have signed up to climb all 932 steps of Tower 42 to raise funds and awareness for older people experiencing loneliness and isolation. Re-engage has worked closely with the pensions sector to raise awareness of loneliness in later life, an issue affecting millions of older people across the UK.

The Big Climb Against Loneliness

The event offers firms a chance to make a tangible difference while connecting with peers from across the industry. The Big Climb Against Loneliness is open to both individuals and teams, with the pensions industry taking centre stage during the 2 pm-3 pm climb slot on 20 November.
If you' or your organisation would like to take part, sign up at: https://fundraise.reengage.org.uk/project/big-climb-against-loneliness



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Pensions Age JOBS service – getting the best candidates for your key roles

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Some of the latest roles at www.pensionsage.com/jobs …

INDEPENDENT PERSON
Location: Guardsman Tony Downes House, Droylsden
Salary: To be agreed on appointment

INDEPENDENT PERSON

HEAD OF GOVERNANCE AND FIRE ADMINISTRATION
Location: Hybrid working, Bradford
Salary: £67,168 - £78,227 pa (Pro rata for Part Time Posts)

NON-EXECUTIVE CHAIR OF THE ARMED FORCES PENSION BOARD
Location: London
Salary: £600 per day

NON-EXECUTIVE MEMBER OF THE ARMED FORCES PENSION BOARD
Location: London
Salary: £450 per day

TRUSTEE DIRECTOR APPOINTMENTS; THE AON MASTERTRUST

PENSIONS ACTUARIAL DIRECTOR
Location: Hybrid c.3 days per week Glasgow or Edinburgh offices
Salary: six figure base, benefits, bonus

SENIOR PENSIONS CONSULTANT, DIVORCE EXPERT
Location: Work from home, regular client/advisor meetings
Salary: Comprehensive benefits, bonus, travel paid

TRUSTEE SUPPORT AREA - NEW MULTIPLE ROLES FROM JUNIOR TO CLIENT MANAGER LEVEL
Salary: Dependent on experience

SENIOR PENSIONS DATA SPECIALIST
Location: Hybrid/London, Scotland, Greater Manchester, Birmingham, West Yorkshire, Bristol or Surrey
Salary: Competitive

PENSIONS DB CONSULTANT
Location: Hybrid/London
Salary: Competitive

PENSIONS ASSISTANT - IN-HOUSE PENSION SCHEME
Location: Yorkshire/2 days home working
Salary: Circa £35,000 per annum

PENSIONS GOVERNANCE SPECIALIST
Location: Hybrid/Bedford (Milton Keynes from Jan 27)
Salary: £40000 - £55000 pa

PENSIONS CALCULATIONS ANALYST
Location: Hybrid working in London or Hampshire
Salary: Salary depended on experience up to +£50,000pa

PENSIONS TRUSTEE SECRETARY
Location: Hybrid/2 days per week London office
Salary: Competitive

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In-house Trustee Governance Support
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Join a highly respected pensions team, play a key role in supporting the governance & ongoing operation of large UK pension scheme Ref: 129701 JW

Senior Pensions Operations Analyst
Hybrid/London **£competitive**
Use your technical DB expertise to oversee third-party administrators, improve operational processes, and help deliver outstanding outcomes for pension scheme members and trustees. Ref: 134058 JW

Pensions Governance Executive
Hybrid/Bedfordshire **£in line with experience**
Play a key role in supporting the governance of one of the UK's largest pension arrangements for a leading organisation. Ref: 130953 JW

Team Leader
Hybrid/Cambridgeshire **£in line with experience**
An excellent opportunity for an experienced pensions professional to lead a small administration team overseeing outsourced occupational pension schemes. This role offers a blend of team leadership, service delivery and process improvement. Ref: 137528 JW

Senior Pensions Associate
Hybrid/London **£doe**
Join a growing business with a friendly, enthusiastic and driven team working together to deliver outstanding service. Ref: 68993 JW

Technical Manager
London - Hybrid, remote options possible **£excellent**
Support investment, wealth management & pensions firms by delivering expert regulatory compliance advice and managing a varied portfolio of client projects. Ref: 137196 BC

Post Transaction Specialists (Consultant/Senior Consultant)
London - Hybrid **£excellent package**
Join a specialist pensions team supporting trustees & sponsors through the final stages of their pension scheme journey. Ref: 138287 BC

Pensions Trustee Secretary
London - Hybrid **£excellent**
Working closely with the Trustee Board and senior stakeholders, support the governance and administration of multiple pension schemes. Ref: 97446 BC

Lead Data Consultant
Very flexible hybrid working - Offices Countrywide **£superb**
Leading Pensions Consultancy seek a client facing pensions specialist adept at delivering data solutions. Ref: 69890 BC

Pensions Actuarial Director
Hybrid c.3 days per week, Greater Manchester or Scotland office
£six figure base, benefits, bonus
This is a fantastic opportunity for a senior pensions professional looking to combine client leadership, business development, and people management within a highly respected firm. Ref: 138386 / 138419 SB

Senior Pensions Manager, In-House
Hybrid/3 days a week London City based **£six figure**
Progressive career move with the in-house team of this major financial services organisation. Ref: 81614 SB

Professional Trustee
Hybrid 3 days a week London or North West offices **£six figure**
Superb opportunities with this highly reputable Professional Trustee business, for skilled Pensions professionals seeking a progressive career move.
Ref: 70402 SB

P/T (3 day) In-House Pensions Manager, DC
Hybrid/London/South East **£excellent**
In this senior corporate-facing in-house role you will shape and deliver future pensions strategy for this industry-leader. Ref: 74403 SB

Senior Pensions Consultant, Divorce Expert
Remote/South-East/London client meetings **£6 figure package**
Senior appointment with a highly respected specialist team where you'll apply your technical pensions expertise to help individuals, legal professionals and the courts achieve fair pension settlements. Ref: 134586 SB

Pensions Operations Manager
London/Hybrid, c. 3 days office **£excellent benefits & bonus potential**
Fantastic career move with this hugely successful derisking specialist for a skilled senior Pensions Operations specialist. Ref: 67970 SB

DB Pensions Onboarding Technical Specialist
Hybrid/City of London **£excellent base/bonus**
Join a growing derisking team, providing technical DB pensions expertise in the onboarding of newly secured DB schemes. Ref: 130887 SB

Senior Pensions Data Specialist
Very flexible hybrid working - Offices Countrywide **£excellent**
Fantastic opportunity to join a specialist pensions data team delivering high-quality insights to help clients improve member data and achieve their strategic goals. Ref: 71182 BC

2026 Salary Survey Now Open

HAVE YOUR SAY IN THE FUTURE OF PENSIONS CAREERS

Share your views, benchmark pay and benefits and help shape industry insights.

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In-House Scheme dual role — £DOE

Northampton 3 days office — DB15976

A really lovely role with a super company combining supporting the head of pensions whilst also having responsibility for two administrators. This role is a mix of roll your sleeves up & help the team, & challenge yourself assisting at a more senior level.

In-House Pensions Assistant — £DOE

East Yorkshire 3 days office — DB15975

As an In-House Pensions Support Officer, you will use your pensions administration experience to support daily scheme and payroll activities, member enquiries, pension calculations, accurate record-keeping and trustee liaison, ensuring a compliant and member-focused service.

Trustee support roles multiple — £DOE

Home working* — DBTSALL

Once your training is complete you will work from home other than *4 meetings a year & *client visits. Our client has various openings currently at all levels for trustee support within the governance & secretariat side of the organisation. You must have some experience of dealing with a trustee board to apply.

Data Admin Svcs Consultant — £DOE

London/Hants 2 days office only! — DB15876

Undertaking the same functions as the job advert below this, at this level you are able to manage multiple priorities & achieve deadlines, all whilst ensuring everything runs to budget. You enjoy building strong client & colleague relationships, & acting as mentor to team members, mentoring & developing them.

Data Svcs Assist/Analyst — £DOE

London / Hants 2 days office only! — DB15877

You will use & develop your DB pensions administration & data skills, supporting projects including buy-in/buy-out data preparation, GMP reconciliation & equalisation, Pensions Dashboards readiness, data cleansing & scheme transitions.

Contact Dianne Beer (DB)
dianne@abenefit2u.com
0207 243 3201 / 07747 800 740

Pensioner Payroll Administrators — £DOE

Hybrid Working in London or Hampshire — TD15977

A leading pensions administration provider is hiring two new roles; a Pensioner Payroll Associate and a Senior Pensioner Payroll Associate. Both roles run monthly and daily pensioner payrolls, and the senior role also peer reviews the team's work.

Pensions Calculations Analyst — up to c.£60k

Hybrid in South East or 100% Remote — TD15916

An exciting opportunity for a pensions calculations expert! You'll oversee the full calculation development lifecycle, from specification and testing through to quality assurance and legislative compliance, acting as subject matter expert, mentor and quality gatekeeper.

Pensions data Analyst — Up to £37k

London office twice per week — TD15974

We are seeking a detail-oriented Data Quality & Cleansing Analyst to support the accuracy, integrity, and completeness of pension scheme data. This role focuses on obtaining, analysing, and cleansing member data to meet regulatory requirements and ensure it is fit for purpose.

EMEA Employee Benefits Analyst — Up to £40k

Birmingham office twice per week — TD15967

We're look for a Pensions & Benefits Analyst to join a leading global organisation, based in Birmingham. This role is well suited to someone with at least 3 years' experience in pensions or employee benefits, ideally with exposure to EMEA benefits operations.

Senior Pensions Administrators — up to £45k

Hybrid Working—various office locations — TD15972

Excellent opportunities available for DB administrators with prior experience of performing complex pensions calculations, and be knowledgeable in both automated and non-automated manual/ system processes across a wide range of member/scheme events.

Contact Tasha Davidson (TD)
tasha@abenefit2u.com
0208 274 2842 / 07958 958 626

Seeking a new job?:

This bonfire night, why not spark your career journey with Abenefit2u, let us ignite your next career step & make sure your future career is full of sparkle.

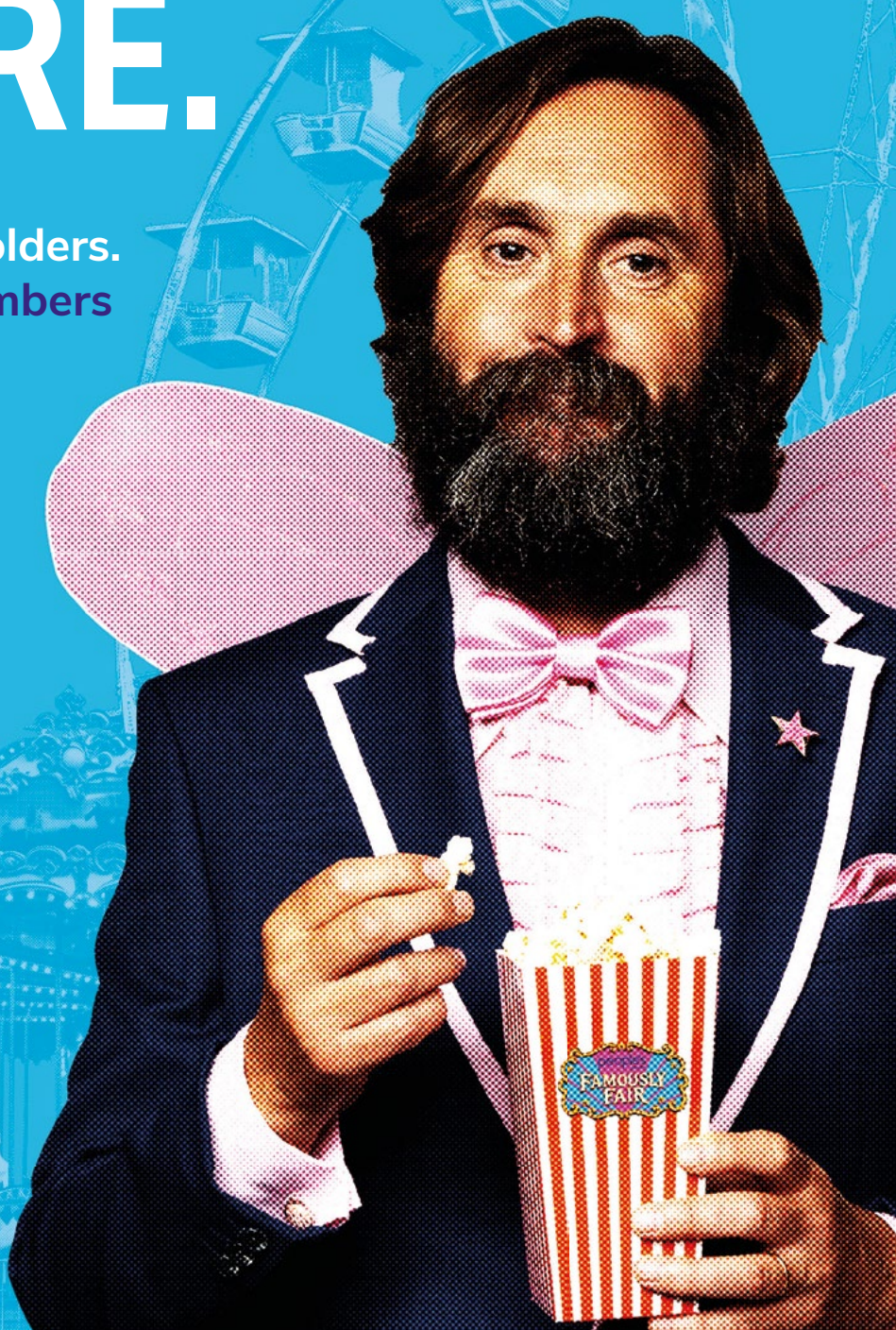
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