LGPS
The struggle to make the government's fit for the future policy a success

Transfers
How all types of transfer are being influenced by improving practices

ESG
How to monitor the ESG impact of investments

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September 2025

PENSIONS Age

The leading pensions magazine

Sidecars: *The operational, technical, and regulatory hurdles to creating sidecar saving vehicles*

Behavioural finance: *How pensions policy and product design can work with, rather than against, human behaviour*

Editorial credit: Andy Wasley / Shutterstock.com

The return of the Pensions Commission

INSIDE: Technology Guide 2025

Editorial Comment

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

Simply saying you're 'moving' does not describe a lot – moving from where? At what speed? Key components, for instance, to get to the Pensions Age Autumn Conference on 16th September include knowing the event location (London) and your starting point (your home, presumably). This determines how, and the speed, in which you need to travel to the event. If you're based in London, walking might be feasible. But if you're coming from Newcastle, a stroll to the capital isn't advisable. You'll need to pick up the pace.

When it comes to the nation's pensions savings levels, we have tools like the Retirement Living Standards to help determine the preferred destination. And thanks to pensions dashboards coming soon *[see more on p18]*, people will soon have a clearer sense of their starting point. But when it comes to the pensions adequacy journey, it feels like we're still walking from Newcastle to London – without even signposts along the way to check we're making good time.

Despite the undeniable success of auto-enrolment, we're more than a decade on from its launch and still lack any concrete plans for how or when contributions should rise.

That said, preparations for the journey are underway – or at least, research into the trip, to *make* the preparations are underway. The government's recent announcement of a 'revived' pensions commission to examine adequacy *[see our news focus on p10 and cover story on p46]* is a welcome step. The commission will explore why future pensioners are set to fare worse than today's and what's needed to future-proof the system. Its final report is expected in 2027.

The last Pensions Commission, in 2006, ultimately resulted in the creation of auto-enrolment. Hopefully once again following that pensions commission 'path' will generate similar success with improving adequacy.

However, ensuring that the best route for the journey is chosen is just as important as the final destination. For instance, industry concerns over the threat of mandatory UK investment within the Pension Schemes Bill continue to overshadow support for the objectives behind the legislation *[see p11]*.

After all, nobody likes going the wrong way and having to double back. To that end, our feature on p74 considers how to monitor the environmental, social and governance impact of investments to avoid the risk of corporate greenwashing and having to backtrack out of those assets.

Ideally, the journey should be as rewarding as the destination. Our feature on p63 explores how different forms of transfers – from bulk purchase annuities to DB-DC and DC-DC – are evolving due to improving industry practices.

You also might even want to bring a sidecar for the ride... *[see p70 for our feature on how sidecar savings could help boost workers' financial resilience]*.

The Pensions Minister himself may soon be taking an enjoyable journey.

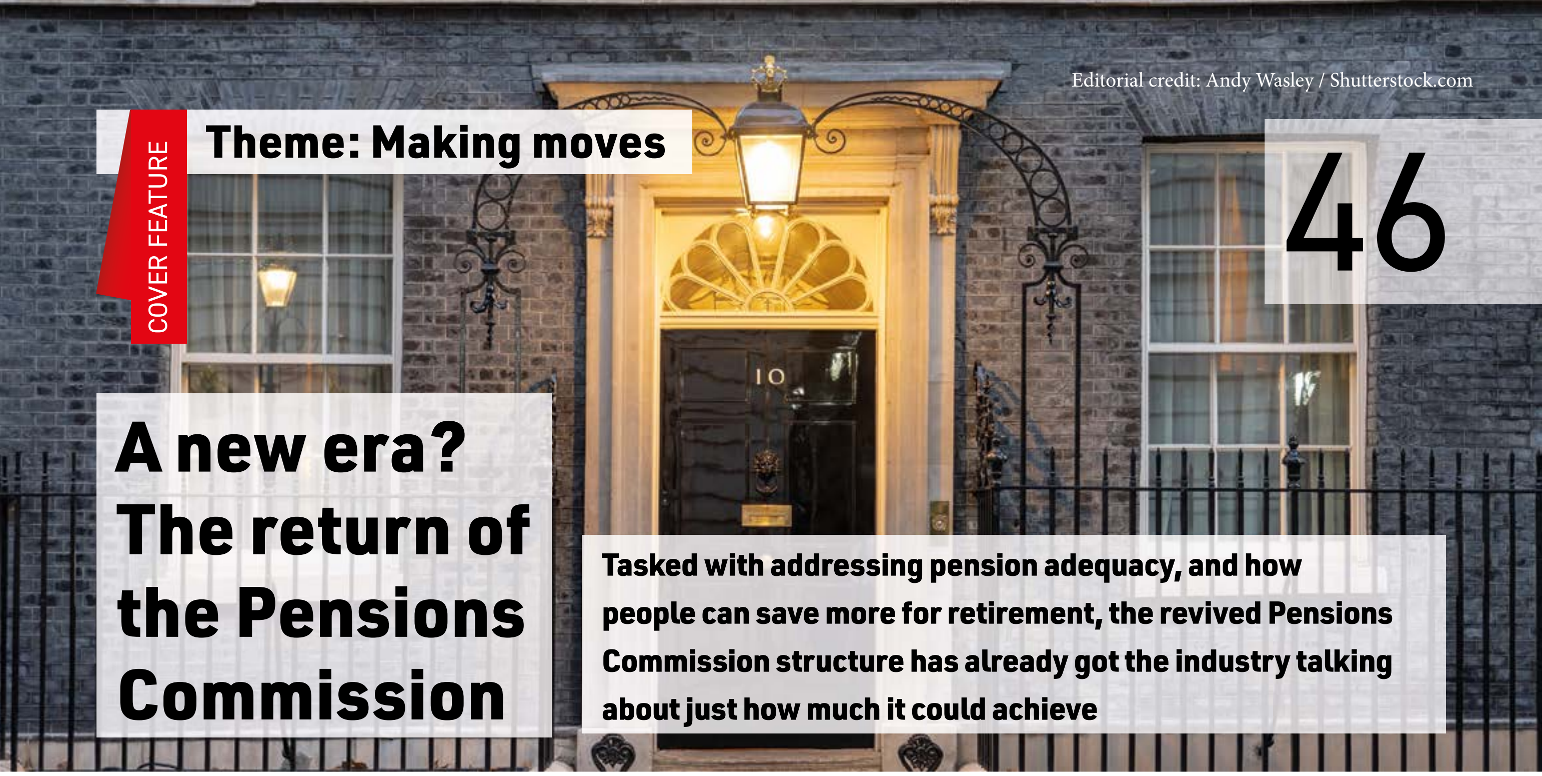
Having already made the unique move to straddle both the Treasury and DWP in his role, Torsten Bell has reportedly been appointed as a key adviser to Chancellor Rachel Reeves ahead of the Autumn Budget. The news has also sparked speculation over Bell's future in politics – at time of press, William Hill shortened his odds of becoming the next Chancellor from 7/2 to 5/1.

So, Torsten Bell appears to be heading for bigger and better things – although I'd argue, what could be bigger or better than pensions?

Ideally, his progression will help move the critical issue of pensions adequacy further up the cabinet's agenda.

But in the meantime, I'll see you at our conference on the 16th – however you get there. Safe travels.

Laura Blows, Editor



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COVER FEATURE

Theme: Making moves

46

A new era? The return of the Pensions Commission

Tasked with addressing pension adequacy, and how people can save more for retirement, the revived Pensions Commission structure has already got the industry talking about just how much it could achieve

Features and columns

News, views & regulars

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Features & columns

Continued from page 5

PENSIONS*Age*

Publisher
John Woods
Tel: 020 7562 2421

Editor-in-Chief
Francesca Fabrizi
francesca.fabrizi@pensionsage.com

Editor
Laura Blows
laura.blows@pensionsage.com

Associate Editor
Natalie Tuck
natalie.tuck@pensionsage.com

Deputy Editor
Sophie Smith
sophie.smith@pensionsage.com

Reporter
Paige Perrin
paige.perrin@pensionsage.com

Reporter
Callum Conway
callum.conway@pensionsage.com

Design & Production
Jason Tucker
jason.tucker@perspectivepublishing.com

Accounts
Alina Susca
alina.susca@@perspectivepublishing.com

Commercial
John Woods
john.woods@perspectivepublishing.com

Lucie Fisher
lucie.fisher@perspectivepublishing.com

Tom Pickford
tom.pickford@perspectivepublishing.com

Subscriptions
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NEW circulation figures

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Managing Director
John Woods

Publishing Director
Mark Evans

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

Dateline - August 2025

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

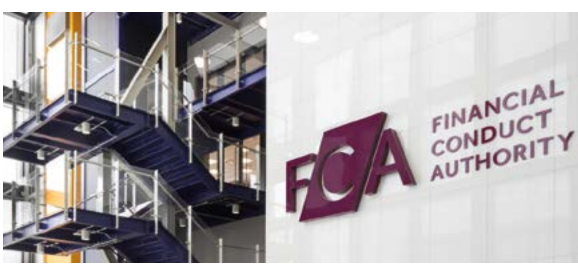
1 August The **Pension Protection Fund** (PPF) confirmed that it put the 2025/26 PPF levy invoicing on hold, leaving the door open for the PPF to move to a zero levy for conventional schemes for 2025/26.

4 August A national petition urging the government to introduce a legally enforceable 10-day pension switch guarantee has been launched by **PensionBee,** amid growing frustration over the current pace of pension transfers.

5 August A freedom of information response from the **Department for Work and Pensions** (DWP) revealed that the gender pensions gap has been almost completely eliminated when it comes to the state pensions of people retiring today.

5 August Capita confirmed that it is still in dialogue with the Information Commissioner's Office (ICO) following the cyber incident in March 2023, with a further charge of £3m recognised in the first half of 2025 in relation to the incident. This pushes the total net costs incurred since the incident in March 2023 to £29.3m.

6 August The administration of the **Civil Service Pension Scheme** (CSPS) has reached a "crisis point" and could be at risk of collapse, the Public and Commercial Services Union (PCS) warned, calling for the scheme's administration to be brought back in-house *[read more on page 16].*



6 August The **Financial Conduct Authority** (FCA) announced that it is considering how to streamline and enhance its sustainability reporting framework for asset managers, life insurers and FCA-regulated pension providers, as it looks to ease "unnecessary" burdens.

7 August The government's consultation on plans to improve fairness and tackle inequality in the **Local Government Pension Scheme** (LGPS) closed with broad backing from the industry, although concerns around implementation and the administrative burden remain.

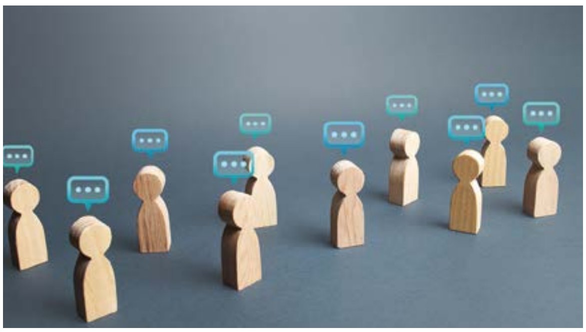
7 August The **Bank of England** (BoE) cut the base rate from 4.25 per cent to 4 per cent, although industry experts suggested this will only have a "modest" impact on DB and DC pension schemes.

12 August HMRC and financial service firms should be allowed to provide people with personalised 'nudges' to encourage retirement saving, the **Social Market Foundation** (SMF) said, as it urged the government to "stop ignoring the self-employed pension crisis".

12 August HM Treasury confirmed that upcoming changes that will see unused pensions come into the scope of inheritance tax will apply to the pension pots of people who die before reaching minimum pension age *[read more on page 15].*

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

13 August Support for the UK Stewardship Code continued to grow, as the **Financial Reporting Council** (FRC) confirmed that there are now 299 signatories to the code following the latest round of applications, representing £56trn in assets under management *[read more on page 14].*



14 August The **Avon Pension Fund** confirmed that it will be surveying members on whether the fund should continue investing in aerospace and defence companies, with the findings set to help inform the committee's final decision on the issue later this year.

14 August The Pensions Regulator (TPR) called on pension scheme trustees to consider decumulation strategies now to deliver better retirement outcomes for savers, warning that adequacy is the "biggest challenge of our time".

14 August Pension trustees could face large fines or even jail time if they flout investment rules designed to protect savers, **TPR** warned, confirming plans to share guidance on what good trusteeship looks like as part of its work to raise standards *[read more on page 13].*

15 August Most firms complete pension transfers in a reasonable timeframe, the **FCA** said, although it raised concerns over switching incentives *[read more on page 14].*

18 August TPR confirmed that it is making updates to the Trustee Toolkit, with some of the updated modules already available in a testing phase, and more expected to follow towards the end of the year *[read more on page 17].*

18 August The **DWP** launched a call for evidence to support its third state pension age (SPA) review, looking for further views on what factors it should consider in determining the SPA for future decades *[read more on page 10].*

The Pensions Regulator
Making workplace pensions work

19 August Over 2,000 pension scam victims have received compensation to help them rebuild their lives, with a total of £81.5m in compensation paid to 58 pension schemes whose members were defrauded by scammers, **TPR** confirmed.

21 August The **government** agreed to move the mandatory scheme pays deadline to 6 July 2027, aligning with the deadline for pensioner members, in what industry experts have branded as a "very welcome and pragmatic move".

26 August MPs faced growing calls to amend the Pension Schemes Bill to require pre-1997 indexation on Pension Protection Fund (PPF) and Financial Assistance Scheme (FAS) pension rights.

29 August The **FCA's** targeted support consultation closed with broad industry backing, but respondents warned that the reforms risk falling short without greater clarity, regulatory alignment, and a "safe harbour" to give firms confidence to engage. Whilst the initial industry reaction to the news that the FCA would be moving forward with its plans for targeted support was positive, industry responses have since revealed several calls for the FCA to refine the proposals it is making.

Adequacy focus ramps up amid Pension Commission comeback

Focus on pension adequacy issues has been revived following the news that the Pensions Commission will be making a return

The focus on adequacy has been given new life following the news that the government has "revived" the Pensions Commission as part of its work to explore the barriers stopping people from saving enough for retirement, with the commission set to share its final report in 2027.

Delivering on the government's much anticipated plans for an adequacy review, the commission will be looking into why tomorrow's pensioners are on track to be poorer than today's, examining the pension system as a whole and looking at what is required to build a future-proof system that is strong, fair and sustainable.

The government said that the 2006 commission was a "huge success", building a consensus for the roll-out of automatic enrolment that means 88 per cent of eligible employees are now saving, up from 55 per cent in 2012.

However, it admitted that there is more to do, with its analysis suggesting that the incomes of retirees are set to fall over the next few decades if nothing changes.

The revived commission will therefore look to address the growing adequacy concerns surrounding pension savings, making proposals for change beyond the current parliament to deliver a pensions framework that is strong, fair and sustainable.

The commission will be made up of Baroness Jeannie Drake (a member of the original commission), Sir Ian Cheshire and Professor Nick Pearce, who will be responsible for steering its work.

The commission will also work closely with stakeholders, such as the

State pension age review kicks off as triple lock speculation ramps up

The government has also launched a review into the state pension age (SPA), looking at the factors it should consider relating to state pension age and the proportion of adult life currently spent in retirement.

As part of this review, the government has appointed the Government Actuary's Department (GAD) to prepare a report looking at the proportion of adult life in retirement (including commentary on trends in life expectancy data, an assessment of current legislative timings for the rise to 68, and sensitivity analysis), whilst independent reviewer, Dr Suzy Morrissey, has been tasked with preparing recommendations for a framework that considers future state pension age arrangements in the light of the long-term demographic pressures the country faces.

The DWP has since launched a call for evidence to support the independent report, gathering views and evidence on the potential merits of linking SPA to life expectancy, the role of SPA in managing the long-term sustainability of the state pension, and the international experience of automatic adjustment mechanisms for making decisions about SPA.

Whilst organisations have until October to share their responses, many have already publicly shared their position, with growing concerns raised around the rising cost of the state pension and the need for change to ensure future sustainability.

Indeed, estimates released as part of the call for evidence estimated that forecast expenditure on the state pension in 2025 to 2026 is £146bn, which represents a 63 per cent increase in nominal terms over the past 10 years and a 183 per cent increase over the past 20 years. Expenditure on the state pension is forecast to increase further, as estimates released as part of the call for evidence suggested that, by 2029 to 2030, expenditure on the state pension will be £169m, a 16 per cent in nominal terms in comparison to 2025 to 2026.

Unpopular decisions may be needed, as the International Monetary Fund (IMF) recently warned that the government will need to make "difficult decisions" to rebuild fiscal buffers, given the UK's ageing population.

Just Group group communications director, Stephen Lowe, warned that the government may have to look at options either to increase the SPA or to moderate the amount paid if it wants to avoid increasing taxes or means-testing the state pension.

However, he admitted that "neither of these are political vote winners", and any changes to the state pension will also need to be factored into the pensions commission's work, as around one in eight pensioners rely solely on the state pension, particularly lower earners, meaning that private pension improvements may be needed to offset any shortfalls.

Confederation of British Industry and the Trade Union Congress. *[For more information on the new pensions commission, see our cover story on p46].*

Alongside the commission, the government has launched the third state pension age review *[see boxout].*

The Work and Pensions Committee has also since shared its final report following its inquiry into pensioner poverty, which identified "concerning" longer-term trends that "threaten to undermine pension adequacy".

In the report, MPs urged the government to commit to a UK-wide, cross-government strategy to tackle pensioner poverty, warning that if it doesn't effectively address this issue, it will not be able to achieve its goal of building a sustainable health and social care service.

The report made a specific number of recommendations for the commission, including calls for an agreed minimum level of retirement income.

In addition to this, the committee said that the adequacy review should consider pension inequalities and the groups who are more likely to live in poverty in retirement, including women, disabled people, unpaid carers and certain ethnic groups, and how this will be addressed.

It also warned that the fact that the review is forward-looking must not lead to the needs of current pensioners being overlooked.

Written by Sophie Smith

The numbers behind the review

- Retirees in 2050 are on course for 8 per cent less private pension income than those retiring today, while four in 10, or nearly 15 million people, are undersaving for retirement.
- Many working-age adults (45 per cent) are saving nothing at all into a pension.
- The self-employed and some ethnic minorities are particularly at risk: Over three million self-employed are not saving into a pension; only one-in-four low earners in the private sector are saving into a pension and less than three-quarters (68 per cent) of Pakistani and Bangladeshi eligible employees are saving into a workplace pension.
- The gender pensions gap rose to 48 per cent, meaning that the typical woman currently approaching retirement can expect a private pension income worth over £5,000 less than that of a typical man (just over £100 per week for a woman compared to just over £200 a week for a man).
- Less than two-thirds (59 per cent) of eligible employees working for a micro-employer (those with fewer than five employees) in the private sector are saving into a workplace pension.
- The shift from DB to DC has continued at pace: The vast majority, 95 per cent, of the 12.8 million individuals in receipt of a private pension payment in 2024 to 2025 receive a DB pension or an annuity, but the proportion of those receiving a lump sum or other DC product when assessing their pension for the first time has risen to 48 per cent (390,000).

Pension Schemes Bill progress continues in tandem

Alongside the launch of the commission, the detail behind the Pension Schemes Bill has faced further scrutiny over the summer, as pensions organisations tried to get to grips with the fine print behind the government's landmark pension reforms ahead of the bill's committee stage this month (September).

Concerns over the threat of mandation within the Pension Schemes Bill continue to overshadow support for the objectives behind the legislation, with several industry organisations also raising further concerns in other key areas of the bill.

However, Pensions Minister, Torsten Bell, has stood firm amid continued concerns surrounding the government's proposed reserve asset allocation power, arguing that the pensions industry has a collective action problem, which has caused a "failure of fiduciary duty".

During the committee's first hearing, Bell disagreed with claims that industry organisations were already voluntarily moving in this direction, arguing that when you look at the actual history of what has happened, you can see that it is "definitely a failure of fiduciary duty over the past 10 years not to have made more progress".

"The industry committed to private assets under the previous government, and it is failing to deliver on that because of collective action challenges," he stated. "You have to face up to this at the level of the sector as a whole; I am afraid you are giving answers that are very happy with the status quo, the way you are describing it."

"When you speak to the industry, particularly in private, it is very clear that there is a risk of a collective action problem," Bell stated. "Under previous Conservative Chancellors, the industry signed up to commitments that it has not been delivering. Why has it not been delivering? Because of the collective action problem. Change is going to come. Everybody says that change needs to come because it is in members' interests. All the reserve power does is to say that it is going to happen."

'Stick to the rules or face action', trustees and sponsors reminded

The Pensions Regulator shared updates on several recent cases, stressing the need for trustees and sponsors to follow the rules surrounding pensions

Pension trustees risk large fines or even jail time if they flout investment rules designed to protect savers, The Pensions Regulator (TPR) has warned, as it confirmed plans to share guidance on what good trusteeship looks like as part of its work to raise standards.

The warning was shared alongside an update on TPR's recent enforcement action against two former trustees who broke employer-related investment (ERI) rules, which resulted in fines and a suspended jail sentence for those involved.

Former trustee of the Worthington Employee Pension Top-Up Scheme, Stephen Smith, was handed a suspended jail term after admitting to using scheme funds to make five prohibited loans to entities connected to the scheme's sponsoring employer, Marcus Worthington and Company Ltd.

In addition to this, a second trustee, John Marcus Worthington, was handed a £29,000 penalty under section 10 of the Pensions Act 1995.

TPR confirmed that although all scheme funds were ultimately lost because the loans were converted into a failed investment, if eligible, the trustee will be able to make a claim on the Fraud Compensation Fund (FCF) on behalf of members.

This has already been seen in practice, as a recent update from TPR, the FCF, The Pensions Ombudsman and Dalriada Trustees revealed that 2,016 pension scam victims have received compensation to help them rebuild their lives as a result of cross-industry action taken over the past year.

According to the update, a total of £81.5m in compensation was paid to 58 pension schemes whose members were defrauded by scammers, with more payments set to follow for other victims as a result of the joint-agency initiative.

This includes £9.8m in compensation paid out to three pension schemes whose members' pension savings were lost in the Norton Motorcycles Holdings case, as well as compensation for victims of the Friendly Pensions Ltd fraud, which saw Susan Dalton and Alan Barratt convicted and jailed in 2022 for their part in the criminal enterprise that stole £13.7m. In addition to this, death benefits totalling £1.5m have been paid to those affected.

Work to secure compensation for savers began after a High Court ruling in 2020, which confirmed that occupational pension schemes set up as part of a scam could be eligible for FCF compensation.

The FCF is still progressing a number of claims, although it confirmed that company claims for members of the Ark Schemes had been approved, as well as the Pinnacle Pension Scheme, and some sections of the Athena schemes.

Commenting on the news, TPR executive director of regulatory compliance, Gaucho Rasmussen, said: "We know how devastating the impact of pension fraud can be and hope this compensation will help members of the affected schemes to rebuild their lives.

"We and our partners have identified further opportunities to bring compensation to victims of historic scams – and more payments are to follow later this year and in 2026."

Compensation has also been sought directly from those at fault, as TPR also confirmed in a separate update that more than £2.5m will be paid into the Danapak Flexibles Retirement Benefits Scheme (DFRBS) following a recent court ruling and enforcement action.

The benefits of a more cooperate approach have also been highlighted, however, as TPR also shared an update on its work with the Edinburgh Woollen Mill Ltd Retirement Benefits Scheme, confirming that it was able to avoid launching a formal anti-avoidance case following proactive steps by the scheme's new employer.

In particular, Purepay Retail Limited, which took over the scheme following the insolvency of the initial sponsoring employer in late 2020, agreed to make a £7m lump sum payment into the scheme and agreed a recovery plan to help the scheme become fully funded in the next few years.

Written by Sophie Smith

Transfer debate continues as FCA defends timeframes

Whilst some in the industry continue to raise concerns over the process and timeframe for pension transfers, others have suggested that the industry is making good progress whilst ensuring savers remain protected

Debate around the speed and safety of pension transfers has picked up pace over the past month, after the Financial Conduct Authority (FCA) found that, although most firms complete pension transfers in a reasonable timeframe, there are continued concerns over switching incentives on offer.

In its multi-firm review of life insurers' pension transfer processes, the FCA found that ceding schemes generally processed most transfers promptly, with more than three-quarters of sampled firms completing all requests within an average of 20 days.

For transfers where additional steps and checks were carried out, half the firms in its sample took between 41-80 days to complete these transfers on average, with the rest taking between 26 and 160 days.

The FCA found that transfers were typically faster when both ceding and receiving schemes used digital platforms rather than manual, paper-based processes.

There were issues in some areas, however, as the FCA stressed that some transfers still took longer than expected, cautioning firms to avoid "foreseeable harm" from poor or slow service.

However, it also clarified that good service is not just about how quickly the transfer can happen, stressing the need to ensure that consumers are protected from scams and that the transfer does not cause foreseeable harm.

The findings were also in line with the latest data from Origo, which suggested that recent progress painted a "positive story" for savers, after it found that simpler pension transfer times had fallen to an average of 10.8 days.

Others in the industry remain less convinced on current transfer times, as the findings come amid growing calls for a statutory pension 'switch guarantee' from PensionBee, with growing support for its national petition urging the government to introduce a legally enforceable 10-day switch guarantee.

And although PensionBee chief business officer (UK), Lisa Picardo, welcomed the FCA's review, she reiterated the need for a guarantee.

"Through our ongoing 10-day switch campaign, we're calling for faster, electronic transfers to be made standard, alongside a reformed scam-prevention framework that protects savers without slowing legitimate transfers," she said.

Rather than timing issues, however, the FCA seemed more concerned about long-standing worries that some consumers may transfer primarily to secure short-term rewards, such as cashback, without fully weighing up the long-term implications.

"We recognise the efforts firms already make to flag to customers the often-valuable benefits of their existing scheme," it said, adding that the firms in its sample shared concerns over cash-based switch incentives.

Quilter head of retirement policy, Jon Greer, echoed these fears, warning that many savers remained "unaware" that transferring could mean giving up valuable benefits such as higher tax-free lump sums or earlier access to benefits, depending on scheme rules.

Calls to ban pension switching incentives also intensified following research by People's Partnership and the Behavioural Insights Team (BIT), which found that a £100 cashback offer made participants 20 per cent more likely to transfer their pension – even when higher fees in the new scheme would leave them worse off.

Issues in addressing other common transfer obstacles have also been seen, as the FCA revealed that amber flags – which pause a transfer for further checks – were applied to fewer than 2 per cent of transfer requests in its sample. These were typically triggered when the receiving scheme included high-risk or unregulated investments, charges were unclear or high, or overseas investments were involved.

Greer welcomed the reduced incidence of amber flags being raised solely due to overseas investments, calling it "a positive thing" that suggested progress.

However, he warned that interpretations remained "inconsistent" and that the review excluded trust-based schemes, where this practice is likely more common.

"This is not an issue we would say has been fixed per se, and further investigation is definitely required to help ease the friction this causes," he said.

Written by Callum Conway

FCA looks to ease climate reporting burden

The FCA announced that it is looking to ease "unnecessary" burdens by simplifying disclosure requirements

The Financial Conduct Authority (FCA) announced that it is considering how to streamline and enhance its sustainability reporting framework for FCA-regulated pension providers, life insurers and asset managers, as it looks to ease "unnecessary" burdens.

The comments were made following the FCA's review into firms' reporting in line with its climate disclosure rules, which require firms to disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

This found that, overall, the rules have increased firms' consideration of climate risks and supported their integration into firms' decision-making.

However, some firms reported that while detailed climate disclosure information is helpful for institutional investors, the disclosures may be too complex for retail investors, with a limited response from retail investors on their TCFD reports as a result.

There were also comparability issues, as the FCA acknowledged that whilst firms were generally able to report on backward-looking data, some found it more challenging to provide quantitative data to support forward-looking disclosures, such as scenario analysis.

Several firms, particularly asset managers, also noted that they are required to report under multiple sustainability disclosure regimes (SDRs) and said they found the FCA's TCFD rules too granular, recommending that disclosures be simplified.

The FCA has since said that it wants to simplify disclosure requirements and ease unnecessary burdens on firms.

It also stressed the need to maintain good outcomes for clients and consumers and improve the decision-usefulness of reporting, building on the work of SDR to improve trust and reduce greenwashing. It is also looking to promote international alignment and help maintain the UK's position as a global leader in sustainable finance.

"This work is a natural progression in sustainability reporting and reflects our priorities to support growth and be a smarter regulator," the FCA stated. "As we take it forward, we will consider sustainability reporting as a whole. This includes SDR, the ongoing endorsement of the ISSB standards (known as UK Sustainability Reporting Standards), and developments on transition plans."

The work also builds on the news that the government is considering whether to update the current rules on pension schemes' sustainability reporting, with The Pensions Regulator urging trustees to engage with the government's consultation on mandating UK-regulated financial institutions, including pension schemes, to develop credible transition plans.

This is not the only climate update, as support for the UK Stewardship Code has also continued to grow. The Financial Reporting Council (FRC) revealed that there are now 299 signatories to the code, representing £56trn in assets under management.

Whilst the code was recently updated, providing a new set of principles that were intended to "significantly" reduce the reporting burden for signatories, the FRC confirmed that the current 299 signatories have joined under the current 2020 code framework.

This is intended to allow current signatories to familiarise themselves with the new format and use it as a platform to explain their individual approach to stewardship.

However, industry experts have raised concerns over the amended definition of stewardship in the updated code, expressing particular disappointment around the removal of direct reference to the environment and society.

Hymans Robertson stewardship lead and investment associate consultant, Chris O'Bryen, also warned that whilst the changes to the code are expected to make the reporting process simpler, these changes come at a time when sustainability-related risks are continuing to evolve, and the investment industry faces "ever-increasing scrutiny".

Written by Sophie Smith

TPO looks for additional funding to tackle backlog

TPO said that whilst it is set to make a number of operational improvements, further funding may also still be needed

The Pensions Ombudsman (TPO) has outlined plans to tackle the rising and "unprecedented" demand for its services, including looking for new ways to tackle its growing funding gap.

TPO's *Corporate Plan 2025/26* provided more details on the specific priorities for the current year, confirming that the Operating Model Review (OMR) is set to deliver a further 15 per cent in efficiencies over the next three years, which will equate to the ombudsman closing around 1,000 extra cases by 2027/28 compared to 2024/25.

However, TPO's *Corporate Strategy for 2025-2028* acknowledged that customers are currently waiting "too long" to reach the end of the process.

And whilst the OMR programme has been successful, delivering a number of improvements in 2024, TPO admitted that, with demand for help continuing to outstrip both expectations and capacity, there is still more to do.

Indeed, the ombudsman's forecasting suggested that the efficiencies TPO is looking to make are likely to be overtaken by the increasing demand for its service.

TPO's three-year strategy predicted that 2025/26 could see a 12 per cent increase in new pension complaints, with a further 12 per cent increase expected in both 2026/27 and 2027/28, respectively.

And former ombudsman and interim chair, Anthony Arter, argued that, in addition to operational efficiencies and improvements in how it works with the industry, further funding will be required, "as demand is expected to continue to outstrip both resources and the increased efficiencies we expect to deliver".

Given this, TPO confirmed that it is exploring opportunities to amend its funding model to see if there are alternative models, including options for legislative change that will allow TPO to raise additional funding independent of the existing pensions levy.

Written by Sophie Smith

Govt confirms details for IHT pensions changes

The government made key changes to who will be responsible for paying IHT on pensions, and what benefits will be in scope

Upcoming changes that will see unused pensions come into the scope of inheritance tax (IHT) will apply to the pension pots of people who die before reaching minimum pension age.

The government previously confirmed that, from April 2027, unused pension pots will be in scope of IHT.

However, *Pensions Age* understands that there will be no link to age for the measures that will see unused pensions being subject to IHT charges. The current minimum age at which people can access their pension savings is 55, although this is set to rise to 57 in 2028.

A HMT spokesperson said: "We continue to incentivise pensions savings for their intended purpose – of funding retirement instead of them being openly used as a vehicle to transfer wealth – and more than 90 per cent of estates each year will continue to pay no inheritance tax after these and other changes."

The government has made changes in response to industry feedback, deciding that lump sum death in service benefits are not to be brought into scope of the new IHT regime after all.

This is not the only change, as the government's response revealed that while many respondents were not opposed in principle to bringing pension wealth into scope of IHT, most raised "significant concerns" with the proposal to make pension scheme administrators (PSAs) liable for reporting and paying.

Instead, personal representatives (PRs), who are already responsible for administering the rest of the estate, will be liable for reporting and paying IHT.

Written by *Pensions Age* team

MyCSP strikes continue; admin transfer woes persist

The strike action is set to continue, while the planned transfer to Capita is also facing further hurdles

The Public and Commercial Services Union (PCS) raised concerns over MyCSP's plan to run a staff poll on union recognition, amid continued strike action at the administrator.

PCS were told the poll was being held due to two factors: The fact that the company is part-owned by employee partners and that union recognition would affect all employee partners, not just PCS members.

In a letter to MyCSP chief executive, Duncan Watson, PCS national officer, Martin Kelsey, argued that the proposal is "nothing that could not have been explored much earlier" and suggested that a properly overseen statutory ballot might be difficult due to the timing of the Transfer of Undertakings Protection of Employment (TUPE) transfer to Capita.

He also claimed that an informal company-run poll would not provide the same legitimacy or oversight as a statutory recognition ballot, or have "anything remotely close to the democratic legitimacy" of the PCS' strike mandate.

However, Kelsey emphasised that PCS is still committed to reaching a solution to the current dispute, with MyCSP also signalled its ambition to end the action.

The dispute centres on MyCSP's refusal to formally recognise PCS and consult the union during the TUPE process ahead of the transfer of the Civil Service Pension Scheme (CSPS) administration contract from MyCSP Ltd to Capita.

However, the transfer itself has been brought into question recently, with Cabinet Office permanent secretary, Cat Little, confirming that only one of 12 scheduled milestones has been delivered on time, suggesting that there is "quite significant cause for concern".

"Obviously, we are disappointed that a number of those milestones were late... Capita has probably underestimated some of the complexity of the transition, and the technology has taken longer to implement," Little said.

However, she said that officials are working "very closely" with Capita on how quickly it can get a new delivery plan with realistic deadlines in place.

Little also confirmed that "robust" contingency plans are in place to keep MyCSP running the scheme if Capita is not ready by December, with the final decision expected in September.

A Capita spokesperson added: "Capita is proud to be working in partnership with the Cabinet Office to modernise the administration of the CSPS from December 2025, and we are on track to deliver enhanced, innovative services, and tailored experiences for members for when the contract starts."

Written by Paige Perrin

Obituary: Andrew Warwick-Thompson

Retired independent chair and professional pension trustee, Andrew Warwick-Thompson, has sadly died

Retired independent chair and professional pension trustee, Andrew Warwick-Thompson, has died from a rare form of cancer.

Andrew was diagnosed with Peritoneal Mesothelioma last summer, which prompted him to retire early from his various non-executive roles.

This included acting as the Scottish Widows Master Trust independent chair and MyCSP Limited independent chair, alongside other governance and mentoring roles, all of which gave him tremendous pleasure and satisfaction.

Andrew had begun his career in pensions in the late 80s at various actuarial consulting firms, most notably at Bacon & Woodrow Partnerships Limited, before moving to Aon, The Pensions Regulator and LGPS Central, culminating in a portfolio of non-executive roles.

"Andrew approached the illness with tremendous dignity; his foremost concern throughout was the welfare and needs of his wife and two sons," a statement on his social media read.

"About a month before his death, he was made an Honorary Fellow of the Institute and Faculty of Actuaries, which gave him very visible pleasure and a well-deserved sense of pride in a long career."

Pensions Age would like to extend its condolences to Andrew's friends and family.

Written by *Pensions Age* team

News in brief

Pensions Age summarises some of the latest news in the pensions industry, including the latest product launches, climate commitments and best practice guidance...

A changing market

The past month has seen a number of key acquisitions, rebrands and new offerings announced in the pensions industry:

• Brookfield Wealth Solutions (BWS) announced plans to acquire Just Group for 220 pence per share in cash, in a move that the Chancellor, Rachel Reeves, has highlighted as a demonstration of the "strong faith" in the UK economy. BWS confirmed that it intends for Just and its recently launched UK insurance company, Blumont, to operate as a single consolidated insurance group under Just's brand.

• Aviva launched a new guaranteed fixed-term annuity product designed to offer clients greater control of how they manage their pension savings, after its research revealed a growing preference for regular income in retirement.

• Isio has launched a service to help trustees and sponsors of DB pension schemes to choose the right endgame strategy for their scheme.

• M&G announced plans to launch a with-profits bulk purchase annuity (BPA) early next year, as it continues to expand on its BPA capabilities. This builds on recent work the group has done to improve capacity, which increased its capability to quote deals sixfold.

• Aegon announced further changes to its client reporting tool for financial advisers.

• Aviva launched a 'flex first, fix later' guided retirement income solution, which combines pension drawdown strategies with a later-life annuity.

De-risking momentum continues

Despite the usual summer slowdown, August proved busy for the pension risk transfer market:

• The National Grid UK Pension Scheme completed a £900m buy-in with Rothesay, securing the benefits of 7,130 pensioners and their dependants.

• The Sedgwick Section of the MMC UK Pension Fund completed a £1.9bn buy-in with Standard Life, insuring the benefits of all 6,500 members.

• The Rolls-Royce UK Pension Fund completed a £4.3bn buy-in with Pension Insurance Corporation (PIC), securing all of the fund's total remaining liabilities.

• The BDO ES Pension Scheme and the BDO Pension Scheme completed a £60m buy-in with Just Group.

• The Quest UK Pension Scheme agreed a £134m buy-in with Aviva.

• The John Cotton (Mirfield) Limited Retirement Benefits Scheme completed an £11m full scheme buy-in with Just.

• The ABB Plan agreed a £700m buy-in with Aviva.

• The Misys Retirement Benefits Plan completed a £25m buy-in with L&G.

The Brother Staff Retirement Benefits Scheme completed a £56m full scheme buy-in with Just Group.

• The Helaba Pension and Life Assurance Plan agreed a £36m buy-in with PIC.

Adapting to change

Amid a growing focus on the role of trustees, The Pensions Regulator (TPR) confirmed that it is making updates to its Trustee Toolkit:

TPR confirmed to *Pensions Age* that it is making updates to the Trustee Toolkit, with some of the updated modules already available in a testing phase, and more expected to follow towards the end of the year.

The regulator is currently updating the Trustee Toolkit, which is intended to help trustees of occupational pension schemes meet the minimum level of knowledge and understanding required by law.

Some updated modules are already available in a beta phase, and work is also underway on the DB modules, with the first beta versions for these expected toward the end of the year.

TPR confirmed that it is also reviewing its investment-related modules.

A spokesperson for TPR said: "We are updating the Trustee Toolkit to ensure it continues to provide trustees with accurate, accessible and engaging learning content reflecting the latest regulatory and legislative developments.

"Updates include refreshed content, improved accessibility, updated graphics, and a move to new software that will support more interactive learning."

Keeping track of the pensions dashboards connections

The first few deadlines in the Department for Work and Pensions' (DWP) pensions dashboards staged timeline guidance have now passed, and the number of providers that have completed their connection to the dashboards ecosystem has continued to grow since. The Pensions Dashboards Programme has also shared updates on the wider industry connection progress behind the scenes, revealing that tens of millions of pension records are now connected. *Pensions Age* brings you the latest updates ...

Connnector progress continues...

The Pensions Dashboards Programme's (PDP) latest update confirmed that hundreds of pension providers and schemes have connected to the pensions dashboards ecosystem. Over 40 million pension records from workplace and private pensions, over half of the total records, have now connected.

This includes the state pension, which completed its connection to the pensions dashboards ecosystem earlier this year, in what was highlighted as a key milestone for the initiative.

The PDP is now working with the remaining industry participants who are yet to connect, helping them complete the journey as soon as possible, with feedback from earlier organisations used to streamline the process.

In a recent post, PDP head of connection management, Tim Reichardt, said: "We continue to work closely with our cohort of industry participants who are building a direct connection to the pensions dashboards ecosystem. We've seen considerable progress since the first of these organisations successfully completed connection in March.

"With a little over a year until the final deadline of 31 October 2026, connection to the pensions dashboards ecosystem continues to progress. Tens of millions of pension records are now connected, and with them, the foundations for dashboards are becoming stronger."

And pension providers follow suit...

• Capita Pension Solutions has connected its first client to the pensions dashboards ecosystem.

The group highlighted this as an "important milestone" in allowing individuals to view all their pensions in a clear and consistent format. It also confirmed that it will be using its own integrated service provider solution to connect members to the ecosystem.

• Nest has connected to the pensions dashboard ecosystem.

The group highlighted this as a "significant milestone" in the scheme's ongoing commitment to enhancing its service.

• Smart Pension connected to the pensions dashboard ecosystem.

The group highlighted this connection, which was facilitated by Keystone, Smart's proprietary technology platform, as a demonstration of the capabilities of its ecosystem, noting that it is one of only a few providers using in-house technology.

• XPS Group confirmed that it has connected over 600,000 members to the pensions dashboards ecosystem, having connected more than 20 schemes to the central digital architecture since the first staging deadline in April 2025.

• Seccl announced that it has connected to the pensions dashboard ecosystem ahead of schedule.

• Aviva announced that it has now connected over 5.5 million pension pots to the pensions dashboards ecosystem.

The next upcoming pensions dashboards connection deadline is 30 September 2025, and will cover:

- Schemes that provide collective money purchase benefits, whether alone or in conjunction with other benefits
- Any remaining money purchase schemes with between 1,500-2,499 members
- Schemes without money purchase benefits, other than public service pension schemes or parliamentary pension schemes, with between 1,500-2,499 members
- Hybrid schemes with between 1,500-2,499 members

VIEW FROM TPR: Better data and teamwork key for pensions dashboards

With over 40 million records now connected to the pensions dashboards digital architecture, we are entering the next phase of this vital programme.

To keep things on track, we've launched a new communications campaign aimed at schemes due to connect in the next year. It highlights that the success of pensions dashboards relies on a strong foundation of quality data and teamwork.

We expect trustees and scheme managers to take the lead in preparing their schemes for dashboards. This includes the essential work of cleaning up any data issues, which is not just the job of administrators. It will require a team effort.

There are over 1,500 medium-sized pension schemes due to connect to the dashboards architecture in 2026.

While records are concentrated in the very largest schemes, members will expect to see all their pensions represented. That's why the duties apply to all schemes with more than 100 relevant members.

Our new connection campaign will run until the end of November, and focuses on three themes: Emphasising the importance of good data; highlighting the teamwork involved to get ready for dashboards; and remembering the bigger picture – that dashboards has the potential to change retirement planning for savers. Our end goal is clear – to create a robust pensions dashboards system that fundamentally changes how savers plan for retirement.

TPR interim executive director of market oversight, Julian Lyne

The Pensions Regulator
Making workplace pensions work

VIEW FROM PENSIONS UK: A busy autumn for pensions policy

We're looking forward to a very busy autumn for pensions policy. The Pension Schemes Bill is making its way through parliament, the Pay Your Pension Some Attention campaign has just got underway, and we eagerly await the terms of reference of the landmark pensions commission.

You'll be hearing a lot from us about the future of pensions – under the theme of 2030 Ready – at our October Annual Conference in Manchester, so now is a good time to reflect on the progress Pensions UK has already made in 2025.

We've been heavily engaged with the DWP in the development of the Pension Schemes Bill. Particularly welcome are measures to introduce guided retirement products, put superfunds on a statutory footing, address the small pots problem, introduce the value for money regime and ensure trustees can make choices about the use of DB surpluses.

While we'll continue to champion all that is good about the bill, we've also been emphasising the need to preserve a pensions sector that puts fiduciary duty at its heart and has market competition to drive better outcomes for savers.

As such, broad new powers to direct investment are cause for concern. We will continue to seek amendments to limit the scope and duration of these powers as the bill progresses.

Pensions UK

Pensions UK director of policy and adequacy, Zoe Alexander

VIEW FROM THE PMI: Stepping up a gear

Summer was meant to be a little quieter… but the pensions world had other ideas. At the PMI, we've been busy behind the scenes – focusing on raising standards in administration, championing education, and bringing the industry together to tackle the challenges that matter most to members.

Now, as autumn rolls in, things are stepping up a gear. The Pension Schemes Bill has entered Commons Committee stage, and PMI will be giving oral evidence. We're ready to advocate for clarity, practicality, and – above all – better outcomes for savers.

There's also the consultation on trustee standards, which has sparked some lively debate. From accreditation to capability, it's a vital moment to ensure trustees are supported and equipped for the future. We'll be working closely with our members to shape a response that's both ambitious and grounded.

And just to keep things interesting, the Pensions Commission is officially getting cracking. With long-term reform on the horizon, we're looking forward to contributing insight and helping steer the conversation.

So yes, it's busy. But it's purposeful. The PMI is proud to be at the heart of it – facilitating dialogue, sharing expertise, and making sure the profession's voice is heard loud and clear.

PMI

PMI chief strategy officer, Helen Forrest Hall

Appointments, moves and mandates


Michael Porter

Michael Porter has been appointed as the leader of Aon's defined contribution (DC) proposition development. Porter has over 18 years' experience in the UK pensions industry, including senior roles at Legal & General, Mercer, and BlackRock. In his new role, he will be responsible for further developing the Aon DC solutions proposition, which includes the Aon master trust and group personal pension, with a particular focus on technology and the member experience. Aon EMEA head of DC solutions, Tony Pugh, commented: "Porter has extensive experience, including digital development, where he has consistently delivered innovation to enhance the pension proposition for members and clients."


John Lister

Border to Coast Pensions Partnership has announced John Lister will become its new chair, replacing Chris Hitchen. Approved unanimously at Border to Coast's AGM, the appointment was announced alongside the publication of the pool's annual report and accounts. Lister will bring a wealth of experience and a strong track record of leadership, with nearly a decade of experience as a non-executive director across many financial services firms. Most notably, he spent four years as Phoenix Group Life Companies' chair and five years prior to this as a non-executive director. Taking over on 1 October, Lister will lead the board through the pool's next strategic phase.

Electronics company, Emerson, has selected WTW's UK defined contribution master trust, LifeSight, as its full master trust provider. LifeSight will cover all active, deferred and drawdown members. LifeSight went live to Emerson members on 1 February 2025, with all asset transfers completed by April, bringing LifeSight to 430,000 members and over £24bn in AUM. Emerson originally engaged the provider to provide drawdown solutions in 2020, later appointing it as its full master trust provider in October 2024. The appointment was intermediated by Muse Advisory. The group said that technology and member engagement were particularly important areas for Emerson, with LifeSight's communications approach and mobile app providing an important boost to member engagement in their retirement savings.


Claire Altman

Standard Life has promoted Claire Altman to the newly-established position of business development and origination director. Altman will be responsible for developing client relationships and driving business growth across the retirement market, building on her previous role as managing director for individual retirement. She will lead the firm's DB solutions strategy, heading a team of risk transfer specialists, with the role created following Phoenix Group's decision to integrate its retirement solutions and asset management teams into a single division. Altman will report directly to chief investment officer, Mike Eakins, who leads the combined division.

Aviva has announced three new appointments to the Aviva Master Trust Board. Rita Butler-Jones has been appointed as trustee director. She has over 35 years' experience in pensions and asset management. Most recently, she led the DC business at L&G, responsible for strategy and growth, until retiring earlier this year. Butler-Jones has also held senior roles at Prudential, Threadneedle, and Mercer. Fiona Matthews has been appointed trustee director and chair of the Member Experience and Communications Committee (MECC). She is an experienced non-executive director and pension trustee, having sat on boards for master trusts, life assurance companies, and a large global pension consultancy. Matthews also founded and led LifeSight - a DC master trust in the UK and EMEA, and was a trustee director of an auto-enrolment master trust. Rekha Owen has been appointed as the new representative for The Law Debenture Pension Trust Corporation Plc on the Aviva master trust board. She is an accredited member of the Association of Professional Pension Trustees and is a CFA® Charterholder. Owen also has over 20 years' experience in the pensions and investment industry, with senior roles in investment consulting, fiduciary management, and financial regulation. Aviva master trust head, Louise Williamson, said: "I'm pleased to extend a very warm welcome to our three new trustee directors who join the board at a particularly exciting time for the master trust, as it continues to grow and evolve, and for the wider DC pensions industry. Their contribution will be invaluable as we navigate the rapidly changing landscape."


Patrick Newberry

Brunel Pension Partnership has appointed Patrick Newberry to replace Sally Bridgeland as chair. Bridgeland, who joined Brunel last year to lead the company, is stepping down to allow for "a different leadership with the right experience" to guide the pool through a period of negotiation and structural change. Newberry, a long-standing Brunel board member, will assume the role from 1 August 2025, to ensure a smooth transition. A former senior partner at PwC with significant transaction experience, Newberry joined Brunel in spring 2019, shortly after the pool received FCA authorisation. He has since overseen key phases of its development, including the launch of portfolios across multiple asset classes and the transition of nearly 90 per cent of client assets. Brunel Pension Partnership CEO, Laura Chappell, said: "I would like to thank Sally for her wide-ranging contribution to Brunel, and we wish her all the very best. The focus of the role has now significantly changed, and I am pleased that Patrick has agreed to take it on at a critical moment in our partnership's journey. His experience of guiding organisations through similar processes will be invaluable. I look forward to working even more closely with Patrick through the next phase." Commenting on his appointment, Newberry, added: "We now face a critical period for the partnership and I will ensure that we work collectively as a board in the long-term interests of our broader partnership, our clients and their members."


Richard Beaven

PPF has named Richard Beaven as permanent chief operating officer (COO). His appointment was confirmed following five months in the role on an interim basis. Beaven brings extensive leadership experience across finance, operations, people, IT and digital transformation. His previous roles span several financial services firms, including Lloyds Banking Group, Reuters, Bank of New York and Barclays. Commenting on the appointment, PPF CEO, Michelle Ostermann, said: "Richard has already made a huge impact at the PPF, so I am thrilled that he will be staying in the role of COO permanently. His experience and insight are critical to the success of our 2025-28 strategy."


Dirk Paterson


Matthew Blakstad

Pensions UK has appointed two new deputy directors. Dirk Paterson and Matthew Blakstad have been appointed to newly created deputy director roles as the association expands its policy, research and advocacy capabilities. Paterson joins as deputy director of external affairs. A senior communications and strategy leader with over 25 years' experience, he was most recently customer director at the Business Banking Resolution Service. Meanwhile, Blakstad will become deputy director of strategic policy and research. He brings over two decades of experience in pensions and savings, including roles at PwC, Talking People, and the Department for Work and Pensions.


Laura Ellis

People's Partnership has named Laura Ellis as its new head of bid management. Ellis has over a decade of experience in sales and business development across sectors, including law, insurance, fintech, real estate and financial wellbeing. She said she was "thrilled" to join the organisation and looked forward to supporting its growth strategy and client engagement. People's Partnership distribution director, Stuart Reid, welcomed the appointment, noting Ellis' knowledge of the DC and workplace pensions market. He said her leadership would play a key role in supporting the provider's growth priorities and delivering value for members.


Luke Webster

The London Pensions Fund Authority (LPFA) has appointed Luke Webster to its board. Webster is currently bursar of Corpus Christi College, Oxford, overseeing non-academic operations including the management of estates and endowments. He began his career as an accountant in 2005 and went on to hold senior finance and investment roles, including LPFA chief finance and risk officer between 2013 and 2015. Alongside his new position, Webster sits as a non-executive director at London Treasury and is a member of the investments committee of the Masonic Charitable Foundation. Webster said that he was pleased to return "at a pivotal time for the Local Government Pension Scheme".

Diary: September 2025 and beyond

Pensions Age Autumn Conference
16 September 2025
Hilton London Tower Bridge, London
The Pensions Age Autumn Conference is open to pension scheme managers, trustees, FDs, advisers, pension and HR professionals, and will offer delegates the up-to-date knowledge and guidance they need to help them run their pension schemes and meet their members' needs, whether in the DB or DC space. Topics will include regulatory updates, investment, technology, administration, communication, de-risking and more.
pensionsage.com/autumnconference

Pensions UK Annual Conference 2025
14-16 October 2025
Manchester Central, Manchester
This event will bring together pension professionals for a programme of world class keynotes, roundtables and educational sessions. The conference will see the discussion of every aspect of pensions, from communications and engagement, to investment and regulatory updates. There will be networking sessions allowing attendees to connect with peers.
pensionsuk.org.uk/events/conferences

Irish Pensions Awards 2025
4 November 2025
The Mansion House, Dublin
Now in their 14th year, the Irish Pensions Awards continue to go from strength to strength, giving well-deserved recognition to those pension funds, pension providers, advisers and pension professionals who strive to maintain the highest standards of excellence and professionalism in everything they do, despite the challenging economic and political landscape they find themselves operating in. The shortlist has been announced.
europeanpensions.net/irishawards

Pensions Age Awards 2026
3 March 2026
Grosvenor House, London
The 13th annual Pensions Age Awards aim to reward both the pension schemes and the pension providers across the UK that have proved themselves worthy of recognition in these increasingly challenging economic times. The awards are open to any UK pension scheme or provider firm that serves pension schemes in the UK. The deadline for entries is 10 October 2025, and firms can enter multiple categories, submitting each entry via the online form on the website.
pensionsage.com/awards

Visit www.pensionsage.com for more diary listings

Don't forget...

Third state pension age review call for evidence closes
24 October 2025
The call for evidence seeks views on what factors government should consider in determining state pension age for future decades.

VIEW FROM THE SPP: The value of professional trustees in managing conflicts

As The Pensions Regulator expands its professional trustee engagement programme, trustee-sponsor dynamics are under the spotlight. This is a space where professional trustees offer significant value – bringing clarity, independence and governance to complex situations.

Professional trustees are often appointed for their technical knowledge, regulatory insight and ability to steer schemes through challenges such as funding negotiations or corporate transactions. But these same scenarios can create real or perceived conflicts of interest, particularly when trustees are sponsor-appointed. Navigating these tensions effectively is where professionalism matters most.

Professional trustees add discipline through structured conflict management: Clear policies, up-to-date conflict registers, and well-documented decisions. They know when to escalate issues, recuse themselves, or seek external advice.

In professional corporate sole trustee models, internal challenge and peer review are vital safeguards. On traditional boards, professionals help maintain balance and keep focus firmly on member outcomes. The backing of a wider team, robust professional oversight and presence of a second appointed director provide greater assurance.

Above all, good professional trustees ask the difficult questions and challenge constructively – even if it risks the appointment.

Conflicts are inevitable. How they are managed makes all the difference.

THE SOCIETY OF PENSION PROFESSIONALS

SPP member, Grant Suckling

A week in the life of: KBPR director, Kate Boyle

I'm the director of KBPR, a PR and marketing communications company specialising in pensions and investments. I founded the business 17 years ago to offer a more personal, distinctive service to brands that wanted to go beyond simply "raising their profile". We work with clients to shape narratives, lead the conversation, and educate the market, not just follow it.

My role is mainly strategic, focused on client positioning, connections and new business, but I love to keep close to the hands-on work too.

Monday

With two kids, a dog, a horse, and a company to run, I'm up by 5:20am. If I want to make it to the gym, I need to be there by 6.00am. It's a non-negotiable part of my routine and helps get my brain in gear.

With no travel this week, I kick off my day with a review of deadlines and an optimistic weekly to-do list. If I get through half, I'll be lucky, and that's what I love about the job. The unexpected is always just around the corner.

We are a fully remote company so once the team is online, we have a planning call to align on priorities and identify where support might be needed. As it's the start of the month, we're finalising bespoke monthly client reports across PR, social, and content. But it's not just about chasing numbers – it's about reputation, education, and connection. Capturing that on paper can be challenging.

With no travel, I get the added bonus of a daily beach walk with the dog, the perfect midday reset in a heavy reporting and objective planning day.

Tuesday

Fresh from the 2025 award season, we're already planning 2026. Awards play a big role in our clients' PR and marketing strategies. They're a brilliant way to showcase achievements and shine a spotlight on standout people and initiatives.

This morning, I lead two brainstorming sessions to kick-start submissions. We take on the heavy lifting – drafting, designing and helping clients present the strongest version of their achievements.

In the afternoon, I brain dump my thoughts from the sessions, then get stuck into final press release sign-offs. Some are straightforward, others require co-ordination with multiple teams. Today everything flows through the pipeline smoothly.

Wednesday

The day starts with a planning call with one of our pension fund clients to shape their next member newsletter and forum. We review content and programme ideas and discuss how to drive engagement and attendance. We agree to take on full management of both projects.

The afternoon is full on. Several urgent press requests come in from trade and national titles, so we coordinate with our clients' thought leaders to secure interviews and comments.

Later, it's straight into reviewing afternoon news alerts and monitoring social media to stay on top of what's being discussed.

Thursday

Day four … school run fatigue is real! After three months of school summer holidays here in Ireland, getting back into a routine is a shock to the system.

Once the kids are in, it's straight into monthly client PR meetings. These regular check-ins are vital, beyond daily deliverables these are where the real insights emerge – what's happening inside their business, how they're feeling, what their clients are saying, what trends they're noticing. It's where our best ideas come from.

Later, I meet with our marketing manager to review social content for KBPR and our clients. Balancing visuals, tone and substance across different platforms can be a challenge in such a noisy space, we love experimenting with new (sometimes disruptive) ideas to get people talking.

Friday

I wrap up the week with some writing. I like to tackle content on Fridays when emails are a little quieter. I review client blogs and map out some first draft releases. After lunch I finalise travel plans for a busy few weeks ahead including the Pensions Age Autumn Conference in London and the Pensions UK event in Manchester.

Staying connected to the industry is essential for building and maintaining relationships, and learning. Conferences, events and awards evenings are a big part of that. We're lucky to work in such a collaborative industry, full of brilliant people so I really enjoy these commitments, as well as a night away in a nice hotel!

To acknowledge a successful week, I encourage the team to log off a little early. We've earned it. I'm off to the yard to spend time with our horse – the perfect way to close out the week.

VIEW FROM THE AMNT: The growing importance of exclusions

Exclusions are a funny thing to talk about in the context of investment in the pensions world – after all, how can trustees ever hope to dodge the swinging sword of fiduciary duty if they are busy cutting huge swathes out of their investment universe to meet what they perceive to be the subjective views of their members?

Yet ever increasingly we are seeing exclusions deployed throughout the UK pension scene. In more recent years a greater understanding of climate risks has led to bolder steps; for instance the 2023 decision by the Church of England fund to disinvest from and exclude oil and gas companies who were failing to tick the Paris Agreement.

It's important to note, however, that exclusions are not a one-way street. The Danish posterboy for socially responsible exclusions, AkademikerPension, recently lifted its restrictions on selected defence manufacturers. Driven almost certainly by Russian belligerency, perhaps this still marks a shift in the discussion from those environmental risk exclusions to a more nuanced consideration of the geopolitical theatre. Those old fears of reputational damage from Chinese human rights infringements now jostle for space with the rise of modern mercantilism, populist politics and the on-off wave of US tariff talk.

One thing is clear to me, the pressure on pension funds to consider and deploy investment exclusions will only continue to grow.

AMNT committee member, Lewis Brown

VIEW FROM THE ABI: Inheritance tax

Pensions will soon be subject to inheritance tax, with personal representatives primarily responsible for payment. It's still complex, but simpler than originally proposed and excludes joint life annuities and death in service benefits, thanks to industry input.

HMRC will digitise the inheritance tax process, but that and the legislation will not be enough: We need to find a way for personal representatives – bereaved families and professionals – to exchange information digitally and much more easily with pension providers and HMRC.

They will need to find policies – not just pensions – that they might not know about; and inform all providers of a death. In some cases, providers need to find beneficiaries after they have found out a customer has died.

There are existing solutions to each of these problems: The government's 'Tell Us Once' service and pensions dashboards are obvious contenders. HMRC notes that neither of these could provide support for inheritance tax purposes. That should be on the to-do list for government, and for the Pensions Dashboards Programme.

But there are commercial solutions too, which people already use. It needs government, regulator and industry coordination to ensure these solutions can work together to make the process as easy as possible at a difficult time.

ABI head of long-term savings, Rob Yuille

VIEW FROM THE PPI: From payslip to pension

A final year student, putting in some part-time hours in a shop. A mother cutting back her hours to devote time to her young child. A near-pensioner winding down their hours after years of hard graft. The pension system sees them all the same, just enough earnings to trigger automatic enrolment qualification and a minimum contribution of less than £10 a week.

However, these people will be retiring at different times, with views on living in retirement having been formed over diverse life courses. They will have each been able to afford to save varying amounts across their lives. Their current earnings are only a snapshot of one feature on their preparation for retirement yet it is the only metric that auto-enrolment considers.

The new pensions commission is tasked to consider those on the lowest incomes, so we must better understand their lives from payslip to pension. We must balance the risks of needlessly excluding some people from workplace pension saving against the dangers of guiding other people in vulnerable financial positions into making payments towards a pension. With a better understanding of the life courses of low earners, we can evaluate how best workplace savings can address their needs.

PPI head of modelling, Tim Pike

Dancing through pensions

Aegon UK Investment Proposition managing director, Lorna Blyth

What's your employment history (including jobs outside of pensions)?
I started in Scottish Life (now Royal London) age 17, where I was tasked with photocopying and filing. Once I realised professional exams were the route to progression, I completed the CII exams and then moved over to investment marketing. One IMC and a master's degree later led to experience across several investment roles, all focused on DC pensions.

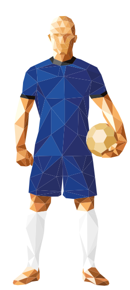
What's your favourite memory of working in the pensions sector?
Pensions freedoms and the disbelief in the office on the day of the announcement that no one had to buy an annuity. And Aegon getting UK Stewardship Code for the first time was a special memory, the whole floor cheered when the email came in.

If you did not work in pensions, what sector do you think you would be in instead?
I really wanted to go to art college after school, but my dad wasn't so keen, which is why I ended up in financial services. If it wasn't for him, I'd like to think I would be doing something in the art world.

What was your dream job as a child?
To be a radio presenter. I was lucky to be picked to present *Night School,* a Monday night show on our local radio station for one evening and I loved everything about it.

What do you like to do in your spare time?
Spending time with my family and friends, travelling, and dancing in the kitchen.

Do you have any hidden skills or talents?
Apart from dancing to good music all night, my hidden talent is getting all three of my children to believe that they are the favourite.



Is there a particular sport/team that you follow?
Football, but only as a by-product of having a footy-mad husband and son. We have two teams, Chelsea and Hibs.

If you had to choose one favourite book, which would you recommend people read?
Shantaram by Gregory David Roberts.

And what film/boxset should people see?
I believe everyone should watch *Ferris Bueller's Day Off.* My boxset recommendation is *Ozark* or the mighty *Yellowstone.*

Is there any particular music/band that you enjoy?
I like anything with a beat that you can dance to.

Who would be your dream dinner party guests?
Elvis, Joanna Lumley, Bob Mortimer, and my dad.

Do you have a favourite quote or saying?
"People will forget what you said, people will forget what you did, but people will never forget how you made them feel."

VIEW FROM THE PPF: Improving bereavement services

At the PPF we're proud of our outstanding member service. As our membership has matured, we know that supporting families at one of life's most difficult times is one of the most important things we do.

That's why we've redesigned our bereavement process to better support members and their loved ones. Our aim is simple: To make things easier for beneficiaries and ensure they can start receiving payments quickly, without unnecessary stress.

Our online beneficiary nomination service, launched in August 2024, lets members nominate a beneficiary and upload evidence of their relationship in advance. This means families don't need to search for paperwork after a loved one's death – it's a small change that makes a big difference. Members can also see a forecast of what their loved one might receive from the PPF, to provide reassurance and help with financial planning.

Beneficiaries now have access to an online claim form and secure messaging, helping us cut the time from notification to first payment to as little as three days.

Feedback from independent research shows members welcome the changes, valuing the reassurance and simplicity it brings. One participant described it as "a weight lifted off my mind, knowing everything is in place for my family".

We believe no other UK pension provider offers a bereavement process quite like this and we are proud to be leading the way. By making our end-of-life services easier, faster, and more compassionate, we are truly delivering on our promise to put members and their families at the heart of everything we do.

Pension Protection Fund

PPF chief customer officer, Sara Protheroe

VIEW FROM PASA: Trustees mustn't forget the 'delivery infrastructure'

Trustees have a breadth and depth of onerous responsibilities. Many have a background in pensions consulting and tend to focus on the 'sexy' topics such as funding and liabilities, investment strategy and technical matters.

Immediate demands lead us to forget the importance of infrastructure …the plumbing and electrics in houses don't seem important until they fail and when they do it has a real impact. It's the house owner who must get them fixed – usually at great expense… you try finding a decent plumber!

In this context we can consider administration as the 'delivery infrastructure'. It might not seem sexy; indeed I have come across professional trustees who declare they don't like it, but trustees have serious heavy weight responsibility for it – way beyond the attention it's usually given.

When it goes wrong it causes a world of pain, notably to members and trustees and it's going to get attention from the regulator. From a proactive perspective, just try completing a buy-in or buyout without proper consideration of administration. It takes a lot longer and costs a lot more. So, trustees don't give better attention to administration because administrators ask you to, do it because it's your responsibility and it makes a real difference to you and your members.

PASA assess | aspire | achieve

PASA board director, Paul Sturgess

VIEW FROM THE ACA: Accessing surpluses

Responding to the evidence call by the Public Bill Committee on the Pension Schemes Bill, we welcomed the inclusion of the 'powers to pay surplus to employer', which include provisions for appropriate additional safeguards to be set out in regulations.

We set out our comments on appropriate safeguards in our response to the Options for DB Schemes consultation in April 2024. Our preference is for a two-tier approach enabling surplus refunds through a simple process where funding is very high whilst also allowing employers with strong enough covenants to take surplus refunds at lower levels of funding. So, for example, if funding is above, say, the actuary's estimate of solvency, then no further conditions would apply. If funding is above the low dependency target but below solvency, then the covenant and/or other contingent assets would need to be considered strong enough to support this difference.

The ACA evidence calls for flexibility to make one-off payments to members without adverse tax consequences. In combination with the surplus refund measures in the Pension Schemes Bill, these changes will likely make investing for surplus by DB schemes more attractive, with a view to sharing surplus between members and employers and may also encourage greater investment in growth assets.

We would also support further flexibility on the use of surplus – in particular, subject to suitable safeguards, permitting surpluses in defined benefit schemes to be transferred to other trusts (including master trusts) without incurring a tax charge, in order to fund future pension accrual for employees.

ACA ASSOCIATION OF CONSULTING ACTUARIES

ACA chair, Stewart Hastie

Soapbox: Getting political

Pensions and politics may not exactly seem like the dream couple. After all, pensions are supposed to be about long-term stability and security, while politics thrives on short-term cycles, slogans and point-scoring. Put the two together and pensions policy too often gets the short end of the stick, getting stalled, or completely steered off course depending on the whim of the government of the day.

One of the most frustrating things about pensions in politics is how quickly the tone shifts depending on whether someone is in power or in opposition.

When on the sidelines, MPs are quick to demand urgent change. Take the recent debate on the Pension Schemes Bill, where Conservative MPs were quick to point out glaring issues around adequacy and affordability – despite failing to make progress on this issue when they had been in power.

And these political tensions were exposed, as Labour's Dame Meg Hillier quickly reminded the chamber that the Public Accounts Committee had already found that many young people weren't enrolling because of the cost of living, laying blame squarely with the previous government. Hillier admitted "there is no easy answer to this," but asked whether the Conservatives now had any policies to resolve the issue.

Shadow Economic Secretary Mark Garnier's answer? A vague: "Watch this space for a fascinating manifesto in the run-up to the next general election." In other words: Promises later, punts today.

Similar disagreements are often seen on the state pension, as Salisbury MP John Glen pointed out the political theatre around the triple lock: "In every election we all say that we cherish the triple lock, and we seek to gain electoral advantage from it, but do we not need to come to a settled collective view in society about the combination of

the triple lock and the inadequacy of auto-enrolment?"

"The 8 per cent contribution is not enough... One speaks to the other. Unless we can take a holistic view of those two elements and the third pillar, we are not being truly honest about some of the trade-offs," he stated.

The problem with all this? Despite acknowledging the elephant in the room, no instant solutions were offered. And we know that addressing pension adequacy will require whatever government in power to make some potentially unpopular decisions.

It doesn't help that pensions debates in parliament often focus on the wrong things. Dashboards were mentioned 16 times in the second reading of the bill, even though they weren't even part of the legislation, whilst other key areas of the bill went unmentioned.

And the committee stage wasn't much better, with MPs confused as to whether the bill was introducing investment mandating that would impact the Local Government Pension Scheme.

When politicians don't fully grasp the details, it opens the door for half-truths and loud voices to dominate.

Even when experts do get a seat at the table, the politics doesn't always make space for them.

Take Pensions Minister Torsten Bell's recent clash with SPP president, Sophia Singleton, and PMI chief strategy officer, Helen Forrest Hall, during the Pension Schemes Bill Committee hearing, which made for somewhat uncomfortable viewing (let's just say the Minister's 'gentle suggestions' came across a little more like sharp interruptions).

And this was made worse with Bell's final offhand comment after Forrest Hall clarified that the sector was supportive of "the vast majority of provisions in this bill", as he added, half-jokingly, "I was encouraging you to say that; you got there".

A joke, maybe, but not great optics if the goal is genuine dialogue.

And this is the crux of the issue: Pensions policy simply cannot work if it's rewritten every five years to fit the agenda of whoever's in power.

Savers need predictability. The industry needs clarity.

Instead, progress is constantly ripped up, rehashed, or delayed, leaving fundamental questions about adequacy and sustainability unresolved.

Lately, there have been renewed calls to give more power to experts rather than politicians when it comes to pensions. And frankly, that makes sense: The experts know what's needed, what's missing is the political will to listen.

But politicians have elections to win, and until Westminster gets serious about listening to the people who actually understand pensions, we'll be stuck in a cycle of big promises, little progress.

If the government really wants to make "hard and unpopular decisions," as Bell keeps saying, then it must work with the sector, not against it. Otherwise, in five years' time, we'll be right back here again – another government, another manifesto, another set of missed opportunities.

And in the meantime? Millions of savers left waiting while politics plays games with their pensions.

Written by Sophie Smith

Cheryl Payne, HSBC Pension Bank Trust (UK) Trustee Chief Risk Officer

Laura Blows, Pensions Age Editor

Paul McGlone, Aon Partner

Cyber risk

Pensions Age talks to Aon partner, Paul McGlone, and HSBC Pension Bank Trust (UK) trustee chief risk officer, Cheryl Payne, about cyber risk in our latest video interview

What lessons have been learnt since the Capita cyber incident a couple of years ago and how has the industry changed its approach to cyber risk in the two years since?

Paul McGlone: The biggest thing that we've seen is more attention being paid to cyber risk.

Clearly, a lot of work went on at the time of the Capita incident, and The Pensions Regulator (TPR) was quite heavily involved. At the end of 2023, it put out new guidance around cyber risk.

TPR had already put guidance out a few years earlier, but the new guidance went into more detail. It linked it to things like the General Code and made it much more of an obligation for trustees to act.

We have seen a lot more provider reviews taking place – looking at third-party providers, understanding their cyber controls, understanding what they do with data, what they do with the assets. Also understanding things like supply chain risk. We have also seen a lot more focus on where the data is.

When a pension scheme has an incident and is named, the name of the sponsor is clearly part of the name of the scheme, so sponsors have become a lot more engaged.

I think one of the things people recognised at the end of the Capita incident was that it could have been an awful lot worse.

Although it felt terrible at the time, a number of things that could have happened didn't happen. Schemes have started to think: 'Well, maybe we got off quite lightly there – and how well prepared are we if something worse were to happen?'

Cheryl, from a scheme perspective, what tips or advice would you give – and for the providers themselves?

Cheryl Payne: It's always about how you're working with your third-party providers and your suppliers and really getting to understand what they do for you; how they do it.

So, it is understanding who has your data and what they do with it.

And then think about your supplier reviews – and think, do I need the same level for all of them? Probably not.

If I have suppliers who have got my data that's moving, then I'll have a far more in-depth review undertaken. And that, for me, means I can use the money that's available to me to protect us in a really good and efficient way.

And then working with our suppliers in partnership, really learning off each other, I think that's key.

When you've got a number of reviews coming in, see what you can – professionally and with integrity – do to help each other get stronger and safer day by day.

Paul, you mentioned that things could have been worse. Just how much worse do you mean?

McGlone: It could have been a lot worse. For example, every pensioner still got paid.

There were data issues, but to the best of our knowledge, data was not actually sold on the dark web or used for fraud, for example.

Systems went down, but for a very short period of time. Backlogs were generally dealt with quite quickly.

There was a lot of member communication, and fraud monitoring, and for a lot of schemes these were managed by Capita and paid by Capita.

So, all of the stuff that could happen – no pension scheme had to pay a ransom, for example – all of these things that keep people awake at night didn't happen.

Therefore, what schemes are now starting to think about is: What if those things had happened? What would a really bad event cost me?

Then you can start to think about things like cyber insurance.

If you know that for your 1,000-life scheme, a really bad incident could cost, say, £500,000, you can start to think: Do I need to insure that half a million pounds? Or am I confident my sponsor could deal with the half a million pounds?

Even if you don't need the financial protection, what about all of the incident response stuff?

Those are the sorts of things people are thinking about, and it's all triggered by the question: How much worse could it be, and are we ready if that was to happen?

How important is the role of the sponsor?

Payne: Working in collaboration with the sponsors is crucial. Every sponsor will have different things they can add to the party.

If you're in the financial services industry, for example, you can really make use of their intelligence, their systems, how they do things.

Even though it might be different for you as a pension scheme, you can take that core information and tailor it.

In every industry, there'll be something the sponsor can add. There will be diversity of thought within the sponsor, so being collaborative and cohesive is really important.

Paul, how do you keep cyber risk high on trustees' agenda?

McGlone: One of the things we keep coming back to is incident simulations, also known as war games, or a fire drill.

It's very easy to write things down on paper and ask trustee boards to read it but it's deathly dull, if you're not careful.

But when you take them through a live incident and say, 'this has just happened, how are we going to respond?' with the sponsor in the room, the providers in the room – you're having an active conversation through a live incident, that's what brings it to life and gets people engaged.

If at any point cyber seems dull – run one of those sessions, and it won't seem dull anymore.

Cheryl, do you have experience of that?

Payne: I do indeed, and I couldn't agree more with what Paul says.

You may start off by testing your own incident response plan, and then you might move on to having a third party with you and doing it together.

But what it does do is bring all the parties around the table in a really safe environment, giving that time and space to be curious, to be inquisitive, and to explore how it would feel if this happens.

You can have a lot of fun with it at the same time, but it can really draw out where you need to focus.

What do you think the areas of focus will be regarding cyber risk in the next couple of years?

McGlone: We're seeing more cyber threats because of AI. In the two or three years since ChatGPT was launched, we've seen phishing emails go through the roof because they can be created more easily.

But at the same time, you have AI defensive cyber controls as well.

So for example, imagine you're working from home one day, and your computer suddenly disconnects itself from your corporate network. Someone phones you to say, "we think you've got some malware on your computer".

Now, you may think that's a scam – and it may be a scam – but actually, it could be that the AI in your computer has recognised unusual behaviour, thinks it may be a cyber threat, and has isolated you from the network to protect the rest of it.

These things are happening all the time, and they continue to evolve.

So I think how AI is used in cyber – both as an attack vector and as a defence – will really change in the coming years.

Payne: Quantum computing and what difference that's going to make in the industry and in financial services at large.

That, for me, is something we're all going to have to start upskilling ourselves and thinking about.

There will be opportunities, just like with AI, but there will also be threats. And we need to be ahead of that.

This is a shortened and edited transcript. To watch the video in full, please visit pensionsage.com

In association with AON

Rising to the challenge of the new retirement

Simon Ellis, Aviva Workplace Commercial Director, explains how providers' solutions are evolving in line with the changing needs of pension savers before, at, and during retirement.

In so many ways, retirement has changed. The waning of defined benefit pensions has given rise to a generation of retirees who, for the first time, have largely had to take their own responsibility for saving enough to literally last a lifetime.

But growing responsibility has not necessarily been accompanied by an increase in financial confidence. If anything, many people on the cusp of retirement feel less well equipped to make appropriate decisions, faced with the growing complexity of retirement products. In analysis of ONS data, the Institute for Fiscal Studies reported that around 4 in 10 people aged 50-64 say they simply don't know how they'll access their pension wealth.[1]

There's also a concern that more pension choice can mean more freedom to make mistakes.

In this new reality, I believe that the need for providers to find fresh solutions is clear. In particular, scheme members need to feel well supported **before they retire, when they retire and while they're retired.** Support delivered at one stage only, or without an element of guidance, simply isn't enough.

Flexibility and security?

Aviva has risen to this challenge by creating its Aviva Guided Retirement solution. Inspired by extensive research, this new proposition aims to offer workplace pension scheme members a way to budget for their entire retirement, giving them the flexibility they want in the earlier years, combined with a greater sense of security further down the line. Initially launching on the Aviva Master Trust, this integrated solution allows a mixing of annuity and drawdown options. This is delivered alongside help and educational support to enable ongoing, informed decision-making and easy online account management.

The need for change: where research led Aviva

Aviva Guided Retirement doesn't just consider the changing nature of retirement, but also that the nature of each person's retirement will change during the course of a life stage that could easily last 20 or 30 years. The chances of a male reaching age 95 is now 14%, up from 4% in 1981. For females it has risen from 10% to 23%.[2] So, it's unrealistic to assume everyone's spending patterns will remain the same over such a lengthy period. And perhaps neither drawdown or an annuity alone might remain the most appropriate solutions for some throughout retirement… but how to feel more confident about which option to choose, and when?

Although people can undoubtedly feel overwhelmed with complex decisions of this kind, research conducted by Age UK and Aviva indicates that 80% of mid-retirees surveyed did not use a financial adviser. **But only half (48%) of mid-retirees aged 65-75 who don't pay for advice are confident that they're on track to make their pension savings last for life.**[3]

Given this, would it have helped to have had more guidance from employers coming up to retirement? Three-quarters (75%) said that they wanted greater employer support in planning for a financially comfortable retirement.[4] Many were worried that they may not even be able to afford basic needs, having failed to make the right choices about their retirement. As they seek more guidance, the onus falls on providers as well as employers.

How Aviva Guided Retirement works: simplicity and purpose

Aviva's innovative solution is simple in its design and manages the risks inherent in drawdown products. Fully supported both online and by phone, Aviva Guided Retirement gives scheme members an initial suggestion on how their money could be split **into three pots**, all of which remain invested. Each pot is slightly different, but they work together to support a member's income needs at different stages of life during retirement. Eligible members can opt for Aviva Guided Retirement at any point up to retirement, when they start their retirement, and even if they're already taking a drawdown income.

If they wish, members can choose a 'glidepath' – the Aviva Guided Retirement investment strategy – when leading up to retirement. This can be done through their online account. It means that their money will gradually be moved into the funds aligned to the solution as they approach retirement. This process can begin up to 15 years before their selected retirement date. At, or before, the point of retirement, they also select the age at which they would like to buy an annuity, although they'll be free to change this later if they wish.

Support to help retirees make decisions with more confidence

The guidance aspect of Aviva Guided Retirement sets the proposition apart from less integrated solutions. Members are supported at and through retirement, with the Aviva Guided Retirement Modelling tool made available to help them visualise their retirement spending, and so helping them to decide how to best split their money into the three pots. They can input different figures into the tool to get a clearer idea of how any changes they make could affect the income they may receive. It allows members to model changes to their pot splits, or annuity purchase age, to see the impact to their income withdrawals – without locking the member into an annuity until they choose to purchase one. Crucially, members can also log onto their online account whenever they wish to see a suggested withdrawal amount to help keep them on track.

This Aviva Guided Retirement Modelling tool is fully integrated within the solution – not just an isolated self-help tool which users are left to find for themselves. It's currently designed to help members see the potential effect of changes, rather than execute the changes themselves. But the solution doesn't simply deliver random possibilities for the user to chew over in isolation. They do receive an example split for further guidance, though they remain free to choose a different split, or review it as they see fit.

Meeting the demand for ongoing guidance and support

One of the defining features of the solution is its ability to deliver readily available guidance throughout the course of retirement.

Aviva sends regular communications and reminders so members don't feel that they are on their own with the decision-making which, research tells us, they may feel poorly qualified to take on successfully. These communications include annual reviews which estimate a sustainable monthly withdrawal amount to act as a guideline.

This would appear to be particularly important since Pension Policy Institute data indicates withdrawal rates above 7% pose significant risks of depleting pension pots prematurely.[5] Members need means of reassurance that their pot is likely to last long enough – or adequate warning if they might need to make changes in order to return spending to a more maintainable level.

Aviva Guided Retirement also embraces a wealth of online educational material and support to help scheme members improve their understanding of their overall financial position. Aviva will continually evolve the customer journey to ensure this information remains easy to access and reflects people's needs.

A timely innovation

I'm especially pleased to be launching a new proposition that has been developed with the needs of today's pension savers so firmly in mind, backed up by ongoing customer research and feedback. Aviva Guided Retirement is grounded in a close understanding of the changing pension landscape and the realities of both working life and life after work. Pension decumulation solutions of this kind don't just hold the promise of a more comfortable retirement for members when that time comes along – they also enhance their financial wellbeing from the moment they take up the proposition. The aim is to help members feel more confident about the future to help them make more of today.

To find out more, please visit our website or reach out to your usual Aviva contact.

Written by Aviva workplace commercial director, Simon Ellis

[1] Individuals' challenges managing pensions through retirement | Institute for Fiscal Studies
[2] Individuals' challenges managing pensions through retirement | Institute for Fiscal Studies
[3] Retirement reality: Managing Money in mid-retirement
[4] Aviva Working Lives Report 2024
[5] Retirement reality: Managing Money in mid-retirement

VAT changes for defined benefit schemes

New treatment of VAT deduction on the management of pension funds – good news for employers?

Earlier this summer, HMRC made a welcome policy announcement. It would be changing its approach to the treatment of VAT deduction relating to the management of defined benefit (DB) pension funds. This change took place with immediate effect on and from 18 June 2025.

In short, employers can now in principle claim back all the VAT on investment management costs linked to DB pension funds. If trustees are providing asset management services and charging the employer, together with VAT, they can also now claim back all the VAT on their costs, if they are VAT-registered.

This is a significant shift in policy and a welcome simplification for employers and trustees alike.

Background

Prior to the CJEU case of PPG Holdings in 2014, HMRC's policy was that employers could recover input tax incurred on costs relating to the administration of their DB funds, but not those in relation to investment management costs, which were considered a cost of the trustees. However, following that case, HMRC changed its policy to allow employers to recover input tax incurred on investment management costs, provided that the employer could show evidence that they contracted and paid for the investment management services.

HMRC took the view that VAT on asset management services may have a direct and immediate link both to the trustee's investment activity and supplies made by the employer.

Various arrangements were put in place so that employers would be treated as receiving the investment management

services to achieve VAT deduction. Some of these were rather complex, for example, tripartite arrangements and VAT grouping. Where there was dual use of investment costs by both the employer and the trustees, HMRC required a method of apportionment on a fair and reasonable basis to determine how much input tax could be deducted by each party.

New policy for input VAT on DB scheme investment management costs

HMRC will no longer view investment management costs as being subject to dual use by the scheme trustees and the employer. Instead, just like administration costs, they will be treated as expenses of the employer's business and, accordingly, deductible by the employer.

In addition, where trustees are supplying pension fund management services to the employer and charging for them, together with VAT, they will also be able to deduct input tax incurred for the purpose of providing those services, provided that they are VAT-registered.

What does this mean for you?

1. In appropriate cases, claims for underclaimed input tax should be submitted now, to protect against the four year time limit.

2. Businesses may need to propose new partial exemption special methods to align their VAT recovery with the new policy, to reflect the increased input tax recovery.

3. Contractual arrangements with investment management service providers should be revisited, as it should be possible to simplify certain arrangements effectively.

4. Care will still need to be taken to conform with regulatory requirements, and avoid conflicts of interest.

5. Employers should ensure that they do not reclaim input tax without a VAT invoice addressed to them. It is not yet clear what contractual evidence HMRC will insist on to show the employer has received the asset management supplies.

HMRC states that it will publish further guidance this autumn.

Written by DLA Piper partner, Matthew Swynnerton, and knowledge lawyer, Megan Sumpster

In association with DLA PIPER

A holistic approach to retirement planning

The Pension Schemes Bill marks a significant change for the UK pension sector. Yet legislation alone can only do so much. How we and our members think about pensions is equally important

Introduced in June 2025, the UK government's Pension Schemes Bill draws inspiration from international models – especially in Australia and Canada – where large-scale schemes have boosted efficiency, cut costs, and improved outcomes through diversified portfolios and access to alternative assets. [1,2]

The creation of 'megafunds' in the UK – requiring scheme assets to exceed £25 billion by 2030 – will expand access to domestic investments, unlock alternative assets, boost diversification, and help long-term returns.

The legislation is a positive step, but not a panacea. Improving outcomes means understanding how savers think – and rethinking our own approach.

The future is now

Pensions are often viewed in isolation, disconnected from everyday financial pressures – a divide the industry has reinforced by treating them as standalone products rather than part of overall financial wellbeing.

By adopting a holistic approach, we can support savers' immediate needs while securing long-term outcomes. Guided income solutions in retirement that balance short-term spending with future growth are key to supporting sustainable outcomes for savers.

Improving outcomes requires a joined-up approach that engages savers early and supports them throughout the journey.

Empowering engagement

The new legislation is an opportunity to rethink the saver journey from enrolment to retirement and beyond.

Early engagement is ideal but not guaranteed. Savers have competing priorities, so solutions must be simple, accessible, and supported by timely guidance. Some will still prefer a simple pension requiring minimal input.

We must assume limited engagement and provide a pathway to help savers access and spend their savings wisely.

X must mark the spot

Auto-enrolment has helped millions save for retirement, but its hands-off design reduces saver participation until retirement approaches.

Saving strategies generally guide savers well to retirement; the journey becomes more uncertain when they start taking their money.

Helping the vulnerable

Supporting vulnerable customers is vital throughout the lifecycle, especially near retirement, when the shift from passive saving to generating a retirement income (decumulation) leaves many savers vulnerable.

At retirement, they must become 'experts' on tax, investments, and decumulation strategies. We must set clear decumulation strategies and support savers in managing their income.

We can help savers by:

- Improving support through clear, timely communications.
- Offering guided income solutions that provide a seamless journey from saving to spending.
- Giving customers flexibility to choose in retirement, backed by strong support.

A frictionless retirement

The transition from saving to spending should be frictionless, intuitive, and secure. For us, this means designing solutions around three core principles:

1. **Design for the real world**– Build systems and support for disengaged savers.
2. **Keep things simple** – Provide savers with straightforward options.
3. **Link savings to income** – Offer savers a simple investment solution that protects savings when drawing income.

Putting members first

We regularly ask members what matters most, helping us shape better outcomes aligned with our core principles.

The industry must evolve beyond saving to support smarter, sustainable spending. Guided income strategies that are seamless and accessible are essential to a holistic approach.

By strengthening support beyond retirement, we can harness the benefits of the Pension Schemes Bill and keep savers at the heart of everything we do.

I'm looking forward to sharing more about our three core principles and how they can help savers build more sustainable and secure retirements in future updates.

Written by Kirsty Ross, proposition director of People's Partnership, provider of People's Pension

In association with people's pension

[1] https://documents1.worldbank.org/curated/en/780721510639698502/pdf/121375-The-Evolution-of- the-Canadian-Pension-Model-All-Pages-Final-Low-Res-9-10-2018.pdf
[2] https://www.apra.gov.au/annual-fund-level-superannuation-statistics

Andrew Reid, Managing Director and Head of DB Relationship Management, BlackRock

Laura Blows, Editor Pensions Age

The DB pension landscape

Pensions Age speaks to BlackRock managing director and head of its DB relationship management team, Andrew Reid, about the DB pensions landscape

The funding levels for DB schemes have improved significantly over the past few years, and we've also seen a number of policy changes. Please could you provide us with an overview of the DB market?

Funding levels have improved over the past five years or so. Driving that have been significant increases in real interest rates (interest rates relative to inflation), sponsors have been making substantial contributions, and growth assets have generally performed well.

If you look at some data that The Pensions Regulator produced as at the end of last year, over three-quarters of DB schemes are fully funded on a low dependency basis and over half are fully funded on an annuity buyout basis.

In addition, there have been a number of regulatory reforms announced. The rationale behind these is that the government wants to ensure members get the best possible outcomes and increase investment in productive assets in the UK, to spur on the UK economy.

So, with that in mind, a Pensions Bill was published earlier this year with two chief points for DB schemes. First, setting out a legislative framework and streamlining the regime for pension superfunds, and second, increasing the flexibility that DB schemes have to use any surplus in those schemes.

There was also a clarification of a previous judgment – the *Virgin Media* case, where some companies were worried that they may have invalid benefit changes that were made in the past because a particular actuarial certificate wasn't obtained. The government has now confirmed that a scheme can get that certificate retrospectively.

Also, last year, new investment and funding regulations came into force, along with the new DB funding code.

What do these changes mean in terms of DB endgames, and how can trustees ensure the path they take will meet all stakeholders' needs?

In terms of stakeholders, let's start with the members. Members want the benefits they've been promised. They want security and they may also want the assets behind their pensions invested in a particular way to benefit society or the environment.

Trustees will want to ensure that members' reasonable expectations are met. They'll want to run the scheme in accordance with the trust deed and rules, and all relevant law and regulation, and they have very, very strong regard to members' best interests. They'll also want to run it at reasonable cost, but they will also not want to take undue investment risk that could jeopardise the security of benefits.

Finally, the sponsor will probably want all of the above, but they do have some slightly competing objectives at times. Of course, they want members to have benefit security in a well-funded scheme, but they also have competing uses for their cash, so there is a balance to be struck there.

Thinking about these objectives and how they feed through into the endgame, the two main versions of endgame are still what we're seeing happen and expect to happen in the future. These are a 'pensions risk transfer (PRT)', where the responsibility for paying some or all of the pensions is transferred to a third party, typically an insurer, via an annuity policy and running on the pension scheme.

Within the pensions risk transfer market, the government is keen to increase the superfund market, so we expect to see more superfund players and more trades there.

Then there is 'running on', where the trustee will continue to run the scheme on as it is. Some schemes would like the best of both worlds, where they run on but want the flexibility to do PRT at very short notice. We are seeing some investment policies for that. Finally, we are also seeing a desire to be able to use surplus flexibly.

What endgame trends are you seeing for the larger-sized DB schemes?

Within the firm we recently looked at 107 schemes, with around £400 billion of assets. We would say this is an indication of direction, rather than a full survey – it does not have the rigour of that. We split the results according to schemes over £1 billion of assets and under £1 billion.

For the over £1 billion ones, roughly 60 per cent of them were expecting to run on in at least the short to medium term, 30 per cent pension risk transfer and 10 per cent undecided. Of the ones under £1 billion, it was 40 per cent run on in the short to medium term, 30 per cent PRT and 30 per cent undecided.

In terms of things we're seeing with bigger schemes, the first one is cashflow-driven investment (CDI) as well as seeing a trend of pension schemes doing more with fewer asset managers – so CDI would be an example of that.

Another is bringing other asset classes within the LDI portfolio, post the gilt volatility of 2022. The number of such mandates we had was six before autumn 2022 and now it is 36 and growing.

Overlapping with this is the increased investment in liquid fixed income assets, and giving the LDI manager more tools in order to raise cash quickly if needed.

The final thing is an increase in OCIO or fiduciary mandates. These aren't for everyone, but they're getting more important for an increasing proportion of our clients.

Of these endgame options for larger schemes, how many of these can be used for the smaller- and medium-sized schemes? What innovation generally are we seeing in the market to cater to these size of schemes?

We and other managers have been thinking quite a bit about how we can port some of the innovation we use for the bigger schemes to benefit the smaller schemes too.

For instance, the whole scheme solution we have for smaller schemes. It's pretty flexible. It can be used to target an endgame of just running on or an endgame of PRT. It uses a number of building blocks, such as liquid growth funds like equity – active equity, indexed equity, a diversified growth fund, some gilt funds, and the key building block is what we call an integrated LDI fund.

This integrated LDI fund borrows the techniques that we've been speaking about for the bigger schemes. It hedges interest rate and inflation risk. It does all of the governance required with an LDI portfolio, ensures there are adequate levels of collateral and manages that process for the client. And it has the capability to use the repo tools that larger schemes have just added to their toolkit.

It seems quite a dynamic marketplace for DB endgames. Looking to 2028, what do you think the shape will be for the DB marketplace?

I think the most attention is on flexibility of use of surplus. Opinions vary a bit on what's going to happen.

The DWP did an impact assessment that estimated over the next 10 years, around £10 billion worth of surplus would be used. Now that might seem quite low compared with the £160 billion total surplus on a low dependency basis it used in its assessment.

On the other hand, in an LCP survey, some 60 per cent of respondents said the new surplus proposals could affect their scheme's strategy but it's too early to say.

There are a great number of things to think about in using surplus. What does a scheme do with surplus if it is to be used? Maybe enhance member benefits with discretionary pension increases, or refund some to the sponsor, or use it to meet future contributions, probably for the defined contribution section of the scheme? Every scheme is different. They have different rules, different trustee and sponsor appetites for risk, and it will vary with funding position, with covenant, etc.

Above all, you need to make sure that if you do use surplus, then there's adequate security for the member benefits. Some schemes are thinking about changing their asset policy a bit to invest in a way to generate, at an acceptable risk level, further surplus. We've done some research on this, which we're publishing in a paper soon, looking at different investment portfolios on different endgame scenarios.

It's important to mitigate risks by matching cashflows, and we consider the additional benefits and risks of adding some liquid growth assets like equity and some illiquidity, say through private credit.

The results are very interesting. For example, for long-term run on, incorporating a modest amount of such assets in the portfolio can easily improve the expected return by 1 per cent a year. If you have a fund of £1 billion, allowing for compounding and asset growth, that would be well over £10 million a year of extra surplus generated compared with a low dependency basis of gilts and corporate bonds. And the downside position is improved, too.

A legal mind in a changing pensions world

From founding a pioneering legal practice and advising governments to championing trusteeship and tackling regulatory overreach, Robin Ellison sits down with Francesca Fabrizi to look at the past, present and future of the pensions landscape

Robin Ellison

Your career spans both UK and international pensions law, and you've also served as a trustee for various pension schemes. Could you give us a brief overview of your pensions journey?

'Journey' suggests there was a plan, which there has never been. I was fortunate to be given a series of lucky breaks, first by failing my A-levels and avoiding university, so that I had no option but to pass my solicitor's finals if I wanted to earn a living. Second, in having a father who was also a solicitor and encouraged me to write; then in having a mentor (who later became a Supreme Court judge) who accepted me for a Cambridge fellowship despite my lack of qualifications and so on. Finally, when I started my own practice in London, within a month I was blessed through a series of happy accidents by gaining two amazing clients: The then major industrial company ICI, and the privatisation of the water industry. Being an imposter was not merely a syndrome in my case, and I also took some false turns into exploring careers in the rabbinate and in being a professional sailor. But I have just been unbelievably fortunate in the timing of opportunities and in meeting people who were generously supportive: My wife, my family, my friends and professional colleagues.

Looking back, what have been the standout moments of your career?

Again, 'career' gives it too much standing. But moments include being given the opportunity in Cambridge to write the first legal pensions textbook, then being given a monthly legal column for 40 years in a now-deceased trade periodical, and then starting the first pensions-only boutique law practice. I have also acted for several governments, including the UK, in a matter where getting the pensions issue wrong could have led to war. I chaired what is now Pensions UK, and with a friend founded the Association of Pensions Lawyers – and very nearly succeeded (but failed) in dealing with HMRC to create a simple tax pension system. I also established the first 'pensions freedom' insurer, London & Colonial, as a SIPP and annuity provider many years ago. And I wrote the original specification for OPDU, now the leading trustee defence organisation. Both successes and the many failures (which I have now forgotten) have all been both fun and instructive.

And what have been the most significant challenges you've faced along the way?

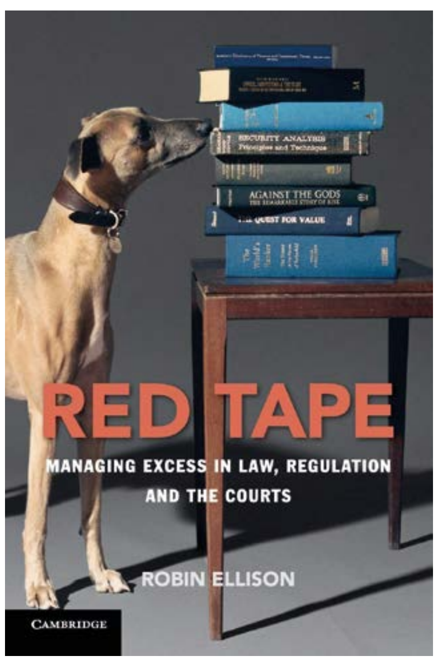
There have been both technology and financial challenges common to many UK startups. The Perspective Pendragon system, which I started with a friend of mine, Simon Freeman, (probably a little too early before the internet was up and running) was saved by broadband and some technology developed in the US; while starting London & Colonial was faced with the challenges of incessantly changing government policy and the nightmare of finding funding. Pendragon was nearly killed by the government's stated intention to simplify the pensions legislative framework at the time (hollow laughs are permitted), and London & Colonial nearly died by the change of a few words in the tax legislation. And in trusteeship, managing the Carillion episode, which was a company with an allegedly underfunded pension scheme – and which became a political football a few years ago – was educative and gave me additional political skills. Then, when starting my law practice, a major client (the major client) gave us the contract after a beauty parade, subject to inspecting our offices – and we didn't have an office or even notepaper. Fortunately, they forgot about the inspection, and we later won a design award for our letterhead – a minor triumph.

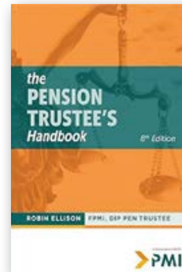
How has the UK pensions landscape evolved during your time in the industry?

Obviously, the move from DB to DC has and is being transformative. The changes have been a curate's egg: The revolution in scheme design has been driven partly by economics and demographics, but also by well-meaning but adverse regulation in the accounting and compliance spheres. Nor were the old days utopian: DB coverage was patchy, transfers and inflation protection were uncertain etc. Nonetheless, with only modest government intervention, employers had built, provoked only by the market and paternalism, a pretty decent workplace pension system. But nowadays we have been in danger of making the best the enemy of the good; every Pensions Minister wishes to leave their mark like a dog on a tree. To have 6,000 pages of HMRC rules, and 200,000 pages of regulation and legislation etc, is clearly overkill – and only some small part of it can demonstrate any improvement in member outcomes as a consequence. We also struggle with poorly trained and over-zealous regulators.

In your opinion, what does the pensions industry need to remain strong and sustainable in the future?

The demographics suggest that half the newborns will live to 100. It seems improbable that an old-age pension system can cope with providing a retirement income for 30 years; at the same time moving a pension age to say 80 would be tough for manual workers. We are going to need to move from old-age pensions to disability pensions, with the expectation of society that most of us will need to work as long as we are able, but will enjoy incapacity pensions when we need them. No one, and that includes especially government, knows how the system will develop – but it needs to be allowed to change subject to minimal interference to meet changing market and demographic conditions.





You've authored several books, most recently the 8th edition of *The Pension Trustee's Handbook*, in collaboration with the PMI. Could you tell us more about this resource?

There wasn't a suitable text available for those wanting to gain the PMI trustee qualifications – and the seventh edition was over 15 years old and horribly out of date. What came as a bit of a shock when writing it was the degree of change in that time and the amount of stuff that trustees theoretically needed to know about. The book was written to comfort trustees that they shouldn't feel intimidated, to encourage them to accept they could not know everything (and were not expected to know everything) and to be happy to act as lay trustees rather than professionals, contrary to TPR expectations. It is hopefully written in simple but adult language and gives details of resources for those who have particular interests.

Finally, what would you say to someone who was thinking about becoming a trustee?

The point of the book was to take the disquiet away from being a trustee, and to encourage trustees to rely on advisers wherever possible. Being a lay trustee is a form of public good, like a parish councillor, magistrate or charity trustee, and should be thoroughly encouraged. In real life there is not much to be apprehensive about – but ensuring there is proper protection both in the trustee documentation and through dedicated insurance (which should continue to provide cover even after retirement) is essential.

Written by Francesca Fabrizi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A decade of Pension Freedoms has given people greater control. But it's also given them greater responsibility over complex decisions.
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What it means for trustees: *Esther Hawley explores what trustees need to consider when offering a default retirement solution for their members* **p42**

The trustee perspective: *Standard Life Master Trust Company Limited board chair, Helen Dean, speaks to Pensions Age about retirement income defaults and how this fits in with member engagement* **p44**

Retirement income defaults:

A helping hand

Standard Life head of retirement proposition, Esther Hawley, and Standard Life Master Trust Company Limited board chair, Helen Dean

Retirement income defaults: What it means for trustees

Esther Hawley explores what trustees need to consider when offering a default retirement solution for their members

2027 could herald a sea change in how DC members take their retirement benefits. If the Pension Schemes Bill passes swiftly through parliament in its current form, it will introduce a requirement for all trust-based schemes to offer their members a "default pension benefit solution" that provides a regular income in retirement. This will shift a lot of the onus of deciding how to 'do retirement' from the individual member to trustees.

So how can trustees approach the concept of a retirement income default, and what are the key things to keep in mind?

Defaults in retirement: A different challenge

The concept of a retirement default is more nuanced than the default investment solutions used in the savings phase. While saving for retirement, the vast majority of people have a common aim: to grow their savings cost-effectively. It's therefore relatively straightforward to offer one solution designed to meet that objective.

At retirement, however, people have a range of individual needs as well as significant differences in their wider financial circumstances. For example, Standard Life research found that:

- More than a quarter of people (28 per cent) expect to use non-pension savings as part of their retirement income
- One in seven people anticipate using an inheritance for their retirement income, despite the risks around the amount and timing of such windfalls
- More than a third (38 per cent) of Gen X homeowners view property as their main retirement asset

This makes it very hard to design one solution that is suitable for all.

We can tackle this challenge by separating out the different retirement objectives that people may have. Despite the wide variances in people's circumstances, in almost all cases people's requirements can be met through a combination of:

- Guaranteed income
- Regular drawdown income
- Ad-hoc or 'lumpy' drawdown
- Immediate cash withdrawal

We can therefore design default retirement solutions by separating the 'default' into two stages.

Firstly, a default decision framework with:

• Pre-set structures for how an individual may wish to set up their retirement

• Different options for cohorts of members with distinct characteristics – for example, a cohort with relatively low need for additional guaranteed income to cover essential spending needs might have a profile allocating 20 per cent to guaranteed income, and 80 per cent to regular drawdown

• High quality, behaviourally aligned decision journeys to help people understand whether the default structure is right for them

And secondly, default options for putting each element into practice:

• Default investment solutions to deliver the drawdown elements (whether regular or ad-hoc)

• A supported process to enable the individual to secure the best whole-of-market annuity for their guaranteed income

• Seamless processes to deliver cash withdrawals

The engagement challenge

This structure can be used to offer a 'true' default, where the individual doesn't need to make a decision other than when to begin drawing their benefits. It is clear, however, that this would be a relatively limited solution, and particularly difficult in the context of purchasing any element of annuity.

It is equally apparent that most individuals will receive a better solution if they are willing to engage to some extent with a decision-making process. There are encouraging reasons to think that this will be possible:

1. People are naturally engaged at the point of retirement decision-making – they have an immediate goal (getting their money) and will put effort in to making it happen – in a way they simply aren't during the savings phase when retirement feels like a distant challenge.

2. The default structure allows individuals to focus their input on factual information that they know about themselves, rather than asking them to make decisions they do not feel equipped to make. For example, offering a pre-designed structure for their retirement and asking them to consider whether it looks appropriate for what they want is very different – and much preferable for most people – to asking someone to work out, from scratch, what they think the structure should be for their own individual circumstances. Equally, suggesting that a particular amount of annuity is appropriate and then asking for input to shape and more accurately price the annuity is likely to be something most people can engage with.

Designing a default decision framework

Finally then, how do you decide what combinations of solutions should be offered to which group of members?

Our philosophy is to help people build up their retirement by considering their essential spending needs first. Do they have sufficient guaranteed income to cover those – for example, through their state pension or any defined benefit pensions they may have? If not, their DC savings can be used to purchase an annuity to 'top up' their guaranteed income.

Any DC savings left can be used to fund more discretionary spending through either regular or ad-hoc drawdown.

This is where our Mixed Income Builder, a retirement income planning tool, may help – by allowing individuals to balance guaranteed income with flexible withdrawals from their pension savings.

The Mixed Income Builder allows users to explore a combination of guaranteed income options, such as annuities, alongside flexible withdrawal strategies from their pension pots. This tool aims to provide a balanced approach to retirement planning and addresses the common desire for both security and flexibility among retirees – a growing trend in retirement planning.

Building on this philosophy, we can design default options offering different balances of guaranteed versus flexible income for different groups of members at retirement.

A worthwhile challenge

It's clear that there is much work to do to put in place default retirement income options for members, but the challenge is worthwhile. Standard Life research shows that:

• Two-thirds of people (66 per cent) do not seek professional financial advice before accessing their pension

• A quarter (24 per cent) worry whether they have enough to live comfortably, while one in ten (11 per cent) regret the timing of their income decisions

By providing clearer and simpler ways of helping people access regular income in retirement, default retirement income options could go a long way to alleviating the pressure people feel around making their retirement decisions.

Written by Standard Life head of retirement proposition, Esther Hawley

The trustee perspective

Standard Life Master Trust Company Limited board chair, Helen Dean, speaks to *Pensions Age* about retirement income defaults and how this fits in with member engagement

Helen Dean

What are your views on the new retirement income requirements, as covered in the recent Pension Schemes Bill?

The Pension Schemes Bill marks a significant positive shift in how we approach retirement income for DC savers. Auto-enrolment has been a hugely successful way of democratising pensions, bringing millions into pensions saving – but it's important to remember that its success is built on inertia. We rely on default 'accumulation' pathways to guide members through their working lives, yet at retirement, we suddenly expect them to become engaged and make difficult financial decisions.

This is particularly challenging given the shift from DB schemes, which offered a guaranteed income for life with minimal engagement and decision making required, to DC pots that offer flexibility but require complex decision making. In the absence of accessible financial advice and personalised guidance, many members struggle to understand what to do with their pension savings. Retirement income defaults offer a vital safety net for those who don't engage, while still allowing members to 'grab the steering wheel' and take control if they wish. Whether members engage or not, developing solutions that support both paths could be transformational for the industry and for member outcomes.

Over the past 10 years, individuals have had more choice than ever when deciding what to do with their pension pot. How successfully have they managed to balance the need for guaranteed income at retirement with flexibility?

I think many people have struggled with this. However, up to now most DC pots have been supplementary to other pensions, often quite small amounts and this has masked the problem. Now we're in a period of transition; the first generation of primarily DC savers is now approaching retirement, and many are navigating this landscape for the first time.

While pension freedoms have given individuals more choice, they've also introduced complexity. If you ask people what they expect from a pension their view is clear, they are there to provide income in retirement. There is a danger that complexity and choice overload, create a barrier to this traditional role for pensions and they become just another flexible savings pot to draw from.

We must help people turn their pension pot into the later life income they need. While an element of choice is welcomed by most, there's value in security and a level of guaranteed income to cover essential expenses can serve as a vital safety net. Without guidance or defaults, many risk underspending due to fear of running out, or overspending without a sustainable plan. Tools like Standard Life's Mixed Income Builder are helping members explore this balance by modelling how guaranteed and flexible income can work together, but there's work to be done to get the balance right.

As the UK considers retirement income defaults, what lessons can we learn from other countries?

It's natural to look at the usual suspects… countries like Australia and the Netherlands, which have embraced hybrid retirement income models combining guaranteed income with flexible access. In the Netherlands, segmentation and tailored solutions are standard practice, helping align retirement options with individual needs. Australia's Retirement Income Covenant was intended to drive innovation by requiring providers to balance income, risk, and flexibility. However, despite being mandated for over three years, it hasn't necessarily delivered the momentum many expected.

"Retirement income defaults offer a vital safety net for those who don't engage, while still allowing members to 'grab the steering wheel' and take control if they wish"

The reality is that no country has truly mastered retirement income defaults yet. While there are useful insights to be gained, the UK is in a strong position to lead in this space – particularly given the breadth of retirement products already available, looking at Standard Life alone with their range of annuities and new annuity desk, smoothed managed funds, and the Mixed Income Builder tool, which has some exciting developments planned this year. The US offers a similar advised model to the UK, and that's something we can build on, especially in how advice and targeted support will work together to serve a broad base of members. The US also nudges ahead in tech and product innovation, particularly in supporting employers and individuals.

Ultimately, the lesson may be that simplicity, guidance, and adaptability are key. As we shape our own approach, we should focus on building solutions that reflect the UK's unique context and member needs, rather than trying to replicate models that haven't yet proven fully effective elsewhere.

Pensions are often considered a complex subject by the public – how can trustees improve member understanding and engagement at retirement?

Engagement at retirement is one of the most critical touchpoints in a member's pension journey, and trustees have a unique opportunity to shape that experience for the better. The first priority is clarity: Communications should be simple, timely, and tailored to the individual. Generic projections often feel abstract, so showing members what their pot translates to in terms of monthly income after tax can be more useful.

Trustees should also ensure members have access to tools that model different retirement scenarios, such as drawdown, annuity purchase, or taking lump sums. These tools help bring options to life and encourage members to think about trade-offs, risks, and long-term sustainability.

Well-timed nudges in the lead-up to retirement, supported by decision trees or step-by-step guides, can reduce the risk of overwhelming members and support better decision-making. Digital resources like calculators, explainer videos, and webinars offer accessible ways to engage, while printable materials and telephone support ensure inclusivity for those less digitally confident.

Engagement shouldn't be seen as a one-off event triggered by a retirement age. Building awareness earlier in the journey helps ensure members arrive at retirement informed and prepared. A blend of clear communication, practical tools, and human support will give members the confidence they need to make sound decisions and ultimately improve outcomes.

It feels like this is a positive development for members in retirement. Are there any pitfalls you need to be aware of as a trustee?

There's a lot to be optimistic about with the move toward retirement income defaults, but trustees do need to keep an eye on a few potential challenges. One of the big ones is fragmentation. Many members have multiple pension pots with different providers, and if each provider takes a different approach to decumulation, it could lead to confusion and inconsistent outcomes. That's why the government's plans to introduce a default consolidator for small pots and move towards 'megafund' consolidation, other key elements of the Pension Schemes Bill, are part of the solution to the same puzzle.

Another key issue is adequacy. It's not enough for defaults to be simple, they also (crucially) need to deliver a decent income, especially for those with smaller pots. Clearly this involves boosting levels of pension saving throughout people's careers too and it's encouraging that the government has revived the Pensions Commission to look at long-term adequacy and how we can improve retirement outcomes across the board.

Finally, while innovation is exciting, it has to be matched by strong governance. Trustees have a responsibility to make sure new solutions are well-designed, transparent, and genuinely in members' best interests.

I feel that we are on the cusp of something important here, the government is legislating in a positive way, and the industry are stepping up to deliver. If we get this right, we have a great opportunity to reshape the pensions landscape for the better and help millions of people in the UK to have a more comfortable and secure retirement.

In association with Standard Life Part of Phoenix Group

> **Summary**
> • The Pensions Commission revival has been welcomed by the industry, but many question the timeframe it is working to (with recommendations not due until 2027).
> • Much of the previous commission's success has been based on auto-enrolment but there are several political and economic changes between now and then to consider.
> • There are no quick fixes for the current commission, but better understanding of pension adequacy, and what this looks like across society, could help, alongside lowering the AE age.
> • All agree that the government's hands are tied to an extent given it has already ruled out raising employer contributions this parliament.

A new era? The return of the Pensions Commission

Tasked with addressing pension adequacy, and how people can save more for retirement, the revived Pensions Commission structure has already got the industry talking about just how much it could achieve

In July, the government 'revived' the Pensions Commission with a new goal of improving pension adequacy for UK savers. The press release, which came with plenty of dire statistics around the state of retirement savings in the UK, announced that the commission will be led by Baroness Jeannie Drake, Sir Ian Cheshire and Professor Nick Pearce. Overall this has been welcomed, largely due to the previous commission's work, which led to the introduction of auto-enrolment (AE), but many are now urging haste given the growing retirement gap.

"I have mixed feelings – optimism that the commission can bring lasting positive change but also regret that, inevitably, the process of the commission will delay the implementation of any change by two years or more," admits Aon partner and head of UK retirement policy, Matthew Arends, who applauds

the makeup of the commission but wanted to see more pension expertise.

"The missing piece, however, is a pensions-insider who would understand intimately the challenges faced but also have direct insight into the practical difficulties of implementing solutions," he adds.

Also concerned about the timeline ahead of the commission is Barnett Waddingham partner and head of DC pensions, Mark Futcher. He applauds the work of the previous commission, which directed more people to save, but highlights such work only goes for in such a long-term problem.

"It's been over 20 years since the last *[commission]*, and while AE transformed the number of people saving, it hasn't solved the problem of how much they're saving," says Futcher. "But with the commission not due to report until 2027, and its recommendations unlikely to be implemented for years after, we risk several more years of inaction when the adequacy gap is already widening."

The challenge ahead

The previous commission's success has been evident in the subsequent years, with data from the Department for Work and Pensions revealing that in 2023 there were 22 million more people saving into a workplace pension than in 2012. The 'revived' commission may be getting to grips with the major issue of pension adequacy, but some have been quick to point out the differences from 2004.

Looking back, AJ Bell director of public policy, Tom Selby, points to the cross-party consensus that was achieved to make AE a success. Securing the same bipartisan support could be more difficult now he argues, in addition to the fact the government has already ruled out increasing employers' minimum contributions this parliament.

"Furthermore, while the commission has rightly been asked to look across the landscape, including state pensions, the triple-lock remains out of bounds this side of the general election," adds Selby. "Those are significant restrictions to its remit and leave the commissioners essentially operating with one hand tied behind their back.

"In short: The commission faces a huge challenge in delivering game-changing reforms that are agreed across the House of Commons."

The political environment can also not be ignored. Twenty-four hours is a long time in politics, and with the commission not due to report until 2027, Zedra client director, Alastair Meeks, questions who will be around to implement any proposals made.

"At present we have a Pensions Minister who is highly engaged with the subject and widely tipped for higher things, so there is a substantial chance he will have moved on by then," says Meeks. "And what of the Chancellor? When the *[last]* commission reported, Gordon Brown reined in some of its proposals on cost grounds. We live in still more straitened circumstances now. Will Rachel Reeves – or her successor – have the vision required when the crunch comes?"

Priorities for the commission

The new commission faces a mammoth task with four in 10, or nearly 15 million people, under saving for retirement. Experts agree there are no easy fixes, but Futcher sees some "clear areas" for action.

"For one, reducing regulatory red-tape could allow for more flexibility and product innovation amongst providers, expanding product options for people beyond the current investment- and insurance-based models," he says. "While annuities are still a viable option, there's still very few products that blend investment and insurance, which could give savers more options later in life."

There is also an argument for taking steps to ensure pension policy better reflects realistic needs of the UK population. Here, Meeks highlights the difficulty of defining 'pension adequacy' given people's individual circumstances.

"For example, for the lower paid, the current state pension will provide a reasonable replacement ratio on retirement for many, whereas that isn't the case for many in middle incomes," says Meeks. "Consequently, there are unlikely to be any simple answers."

However, he does see a case for one relatively easy fix – widening AE to younger savers: "Having said that, extending the scope AE down to age 18 would seem to be a 'quick win' and one that was close to being introduced under the last parliament."

Whatever the commission proposes, it needs to be feasible and workable for government. Here, LCP partner and former Pensions Minister, Steve Webb, sees the need for a timetable to be provided alongside any recommendations.

"When I inherited the basic idea of

Editorial credit: Andy Wasley / Shutterstock.com

AE, one advantage we had was there was a timetable for rolling it out in different sized firms and for different bands of contributions," recalls Webb. "As this was all planned so far in advance everyone just got on with it. If we expect the political reality that the parliament can't ask employers to pay more, for obvious reasons, at the very least we present a sensible, phased timetable."

Affecting real change

There is no disputing the work required from the commission, and many in the pension industry are all too aware of the saving challenges people face. With such an urgent predicament, Arends wants to see this same effort and resources around the commission being used more – hence his key recommendation would be to form a pension commission every 10 years.

"It has taken almost 20 years from the Turner commission to this one and it was also recognised – even in 2005 – that it could only achieve so much, as its remit was tightly confined," says Arends. "As a country, we cannot afford to wait 20 years to address the complex challenges of UK pensions.

"The commission faces a huge challenge in delivering game-changing reforms that are agreed across the House of Commons"

"This is particularly true given how the environment will change, with diminishing DB savings by members, the advent of collective DC pensions and dashboards, as well as AI potentially affecting how members engage in pensions, and the inexorable ageing of the workforce. Just how affordable will the unfunded state pension be in 10 years' time to the working age population at that point?"

For this reason, the topic of financial literacy often comes up whenever pension adequacy is discussed. An individual's ability to save for retirement is often heavily influenced by their wider finances, which is why Futcher wants to see the commission take such context into consideration.

"Improving retirement outcomes starts long before someone first joins a pension scheme," says Futcher. "At a minimum, financial literacy needs to be further cemented in curriculums to ensure sufficient knowledge of long-term savings, and the benefit of turning their money into an income for life. The commission also needs to consider how people's wider financial lives work in tandem with their pension savings."

However, the commission's reach is limited and Webb is wary about broadening its remit "too much". Although an advocate of financial literacy, from personal experience he says more significant changes need to be made.

"AE showed us that what works is doing things at scale by default," says Webb. "Financial literacy is important but evidence shows this is an incredibly painful, slow and ineffective way of achieving massive change – and that's what we need, massive change."

Written by Jon Yarker, a freelance journalist

Featuring:

- How industry attitudes towards implementing new technologies are changing
- Creating an effective digital self-service environment for members to have access to their pensions online
- The playbook for next-gen admin tech
- How new technology is benefitting local government pension schemes
- Company profiles

Technology guide:

Smoothing the process

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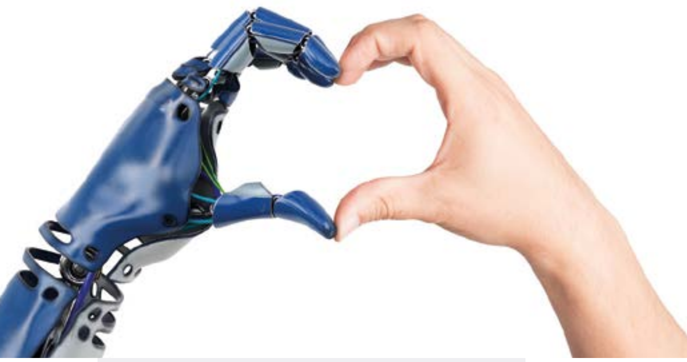

Embracing the digital revolution?

Are industry attitudes towards implementing new technologies changing, and what barriers may be impeding this progress?

Summary
• The pensions industry was traditionally considered slow to adopt new technologies.
• However, the industry seems keen to embrace the opportunities AI, in particular, can provide.
• AI can be used by the sector to speed up back-office tasks and improve member communications.
• Barriers to its implementation include integration with legacy systems and concerns over cyber security.
• The take-up of AI is expected to grow significantly over the next decade.

Once seen as a slow adopter of technological change, the pensions industry has historically lagged behind other financial areas when it comes to implementing digital solutions. But, in a world now increasingly shaped by artificial intelligence (AI), is the sector once again being slow to embrace digital transformation?

Not this time. Now, it seems, the only debate is how quickly the industry can harness the full potential of new technologies.

According to Mantle Services chief revenue officer, Graeme Riddoch, "*[industry attitudes towards new technologies]* are getting better", particularly over the past year. This is because "we have seen a significant shift in attitudes, with many biting the bullet and ready to spend to modernise. This is in part driven by pressure on margins and consolidation".

Festina Finance UK country head, Dan McLaughlin, has noticed this "genuine momentum". "Dashboards, regulatory reform, digital oversight, and fierce competition are setting the stage for some truly exciting progress in our industry," he states.

In July, The Pensions Regulator (TPR) announced plans to launch a Pensions Data and Digital Working Group, describing it as a cross-sector initiative to bring pensions into the digital, data and technology age. According to the regulator, the new group would bring together industry and tech leaders to collaborate on open data standards, support the development of digital services, and help shape a responsible innovation framework for the use of AI in pensions.

AI

The pensions industry certainly seems keen to embrace AI and to utilise its potential in a safe and secure way, SPP Council member and Squire Patton Boggs head of pensions, Matthew Giles, opines. This, he says, is evidenced by the SPP's *2025 AI Survey* results, which indicated "widespread adoption of AI within the pensions industry, with 87 per cent of respondents confirming that AI is being used in their firm".

"The most visible example of AI adoption is probably in online governance portals, where AI can be used to summarise reports and advice papers. Behind the scenes, actuaries are increasingly making using of AI to crunch huge volumes of scheme data and investment consultants are running AI-powered stochastic modelling to help inform investment strategies," Giles adds.

AI is definitely improving administrative efficiency, Pensions UK senior policy adviser, Olivia Sizeland, states, particularly with transforming back-office functions.

"AI assistants can process repetitive, manual tasks in a fraction of the time and cost that it would take human employees to manage the same workload, and at the same time, we know that many schemes are really struggling to find enough administrative staff, so AI can really help to relieve this pressure," she says.

As well as assisting with pensions administration, Sizeland also sees AI being used to improve member communications, such as through AI 'chat bots' answering member questions. "Because the chatbot can access the member's personal information from the scheme, it can provide accurate and personalised responses. The lower costs of these kinds of tools are helping savers who otherwise might not have been able to afford financial guidance," she explains.

Barriers

Riddoch notes that "whilst there are some great examples of new technology being applied *[within the pensions industry]*, such as through personalised videos and smartphone apps, the overall standard remains poor as compared to other industries". This he attributes to the fact that "underlying DB technology was simply never designed to deliver what modern consumers expect of a financial service".

However, this is less of an issue in the DC space, Riddoch adds, as "it's simpler and the underpinning technology more modern".

"The issue is that many DB administration platforms are decades old and a barrier to progress. Administration has been seen as the poor relation and trustees or the TPAs running the schemes reluctant to invest.

"Being able to allow DB members to view and model benefits in real time requires full calculation automation, which only a few platforms can deliver. There's no doubt that AI can be transformational but it's still in its infancy in the pensions world. There are however simple immediate applications such as simplifying complex scheme rules and handling enquiries such as 'what happens when I die'", he explains.

Yet, Giles highlights that in the SPP's recent survey, only 13 per cent identified the cost of adoption and integration of AI as the biggest barrier. Instead, 39 per cent identified organisational nervousness as the biggest barrier and 16 per cent identified customer concerns. A "mere 3 per cent cited regulatory restrictions and 29 per cent said that there is no significant barrier to the widespread adoption of AI", he adds.

Earlier this year, Pensions UK *[named PLSA at the time]*, in its submission to the Treasury Committee's AI in Financial Services Inquiry, stated that: "Given the inherent risks associated with the adoption of AI, the PLSA believes it is essential that trustees remain responsible and accountable for delivering all fiduciary duties to savers."

It also said that: "Due to the strong regulatory environment in which the UK pensions industry operates, which necessitates human accountability and strong governance mechanisms, AI is unlikely to be solely responsible for end-to-end decision making in the foreseeable future, with human agents likely to remain central to decision making across the industry."

Sizeland emphasises cybersecurity fears as a concern for those considering implementing AI into their schemes.

"Pension schemes hold a vast amount of member data, which is financial in nature, so it's an attractive target for bad actors. If any third-party AI developers who are working with schemes become exposed to a cyber security attack, any member data they have would be at risk," she explains.

"We have seen a significant shift in attitudes, with many biting the bullet and ready to spend to modernise"

"Members may then decide to take legal action if they are financially harmed as a result of that, and, if members lose up financially because of cyber attacks, schemes might face penalties from the regulator."

Also, there is the risk of AI chatbots 'hallucinating', providing incorrect information to the saver, which results in them making a misinformed decision, Sizeland adds, so "schemes can also come under fire from the regulators and/or face legal action from the member because of that".

However, "if schemes can work out how to mitigate these effectively, AI presents some exciting opportunities for the sector. Lowering costs, I think, is a really exciting one, along with better engagement with members", Sizeland states.

Embracing change

This excitement is shared by the sector, with Giles noting that "the pensions industry is keen to embrace AI but is cautious to do so to ensure its potential is utilised in a safe and secure way".

"Although most in the industry are using AI in some way, shape or form, over three quarters of respondents to the SPP's *2025 AI Survey* said that it is currently used in only 1-5 per cent of their services. This demonstrates both a willingness to embrace new technology and a caution in doing so," he adds.

Current projects are also affecting this take-up of new technology. As Riddoch explains, "a current issue is that the focus of late has been on getting ready for dashboards, which has reduced the available bandwidth to look at new tech and innovations. Another problem is that some trustees aren't aware that better is possible. That requires for improvements to be made tangible".

Whilst adopting a 'big bang' approach to implementing new digital solutions "is a major hurdle", McLaughlin says, "modular tech is now showing a more agile route forward – one that's not just theoretical, but genuinely achievable today".

This positivity was also expressed in the results of a recent Pensions UK survey. It found that its members expect pension funds to have widely adopted AI by 2035 to enhance member engagement and communication strategies (79 per cent), detect and prevent fraud (75 per cent), improve data security (72 per cent), personalise retirement planning (including advice and guidance) (63 per cent) and allow customisation of investment strategies (59 per cent).

As McLaughlin says: "Attitudes are shifting – not just out of necessity, but because we're entering a new era of tech adoption and a pension industry as a whole."

Written by Laura Blows

Engaging members with their pensions

My Pocket Pension from Mantle, making online work for people.

Improving member communication and engagement isn’t always easy—especially as most people now access services on their smartphones.

That’s why we created My Pocket Pension, Mantle’s award-winning pension app. Simple, accessible and easy to use, it offers a fresh way to connect with members by enabling:

- Streamlined onboarding - Simple registration process, encourages adoption and usage.
- Anywhere access - Easy to access and view pension details anytime, anywhere.
- Real time benefits - Pension, cash and transfer value automatically refreshed daily.
- Simple to update - easily update and maintain personal details.

Where MPP is deployed, with at least a **30%** uptake, we have seen a **30%** reduction in workload for the administration team. Member satisfaction has been in excess of **70%** in terms of registration.

Pensions, but different

Discover how you can connect your members with their benefits in a way that works for them. Contact us today to schedule your free demo. For further information on our solution, email us at enquiries@mantleservices.com or visit our website www.mantleservices.com

Removing barriers to member engagement online

Graeme Riddoch explains how Mantle Services can provide an effective digital self-service environment for members to have access to their pensions online

Across the pensions industry, there is a growing push to encourage scheme members to manage their benefits online. This shift is driven by two main objectives:

1. **Reducing the demand on administrators** by enabling members to self-serve, cutting call volumes and routine queries.
2. **Providing members with modern, digital access** to their personal information, reflecting how people now interact with most other services.

The logic is clear: When members can run calculations, and update details themselves, it's more efficient for everyone. But once members are online, the challenge becomes making their pension information understandable and accessible, particularly for defined benefit (DB) schemes, which remain some of the most complex financial products most people will ever encounter. Overcoming this challenge requires tackling both technical and behavioural barriers.

Data – the foundation of trust and accuracy

Poor or incomplete data sits at the root of many problems in pensions administration. In DB schemes especially, historic record-keeping can be patchy, with gaps or inconsistencies dating back decades. Without high-quality data, accurate calculations simply aren't possible – meaning online tools risk becoming misleading or unusable.

Data cleansing projects can be time-consuming and expensive, but they are essential. A modern digital experience can only work if the figures behind it are correct. This is as much about building member trust as it is about functionality: if a member runs a projection and sees an obviously wrong figure, they will quickly revert to calling the administrator instead.

Old technology – a hidden barrier

Many DB pension administration platforms were designed 10-20 years ago, long before self-service was even considered. While some have been upgraded, others still rely on manual processes for less common benefit calculations.

This is especially true where a scheme's benefit structure is complex – for example, where members have different tranches of service, protected rights, or non-standard early retirement terms. If funding is limited, schemes often prioritise programming for the most common calculations, leaving administrators to manually handle the rest. Unfortunately, this undermines the promise of true self-service and can discourage members from relying on online tools.

Connecting members with their pensions

Even with robust data and a capable platform, members do not automatically flock to self service. Uptake can be surprisingly low, with average registration rates often stuck around 25 per cent.

The registration process itself is a major factor. Complex onboarding steps, frequent password changes, and one-time passcodes create friction - especially when members log in infrequently and forget their credentials. Many simply pick up the phone instead.

Device preference plays a key role too. Most people now consume services via their mobile phone rather than a desktop PC. At Mantle, we provide both mobile and web apps, but in a recent large-scheme rollout, only 2 per cent of members chose the web app. The other 98 per cent preferred mobile.

Our solution uses personalised QR codes for registration, removing the need for passwords and enabling sign-up in under a minute. This streamlined process has driven uptake rates as high as 70 per cent – almost triple the industry average.

Making the complex understandable

Getting members online is just the first step; they must also be able to interpret what they see. The average UK reading age is 9-11, yet many pension communications are drafted in dense, technical language. Rules are often explained in legal terms, and jargon remains widespread.

Better approaches exist.

- **Video communication** – Personalised pension videos with AI avatars can now explain benefits in plain language using live data.
- **AI-powered Q&A** – ChatGPT-style tools can answer plain-language member questions instantly, giving clear guidance without call centre delays.

Conclusion

Effective digital self-service in pensions is achievable with clean data, automated systems, and a simple, mobile-first registration process. By tackling both the technical and behavioural barriers, schemes can create an environment where members not only have access to their pensions online, but actively engage with them in a way that is easy, meaningful, and sustainable.

Written by Mantle Services chief revenue officer, Graeme Riddoch

From big bang to building blocks: The playbook for next-gen admin tech

Festina Finance, the life and pensions technology specialist behind some of Europe's largest pension providers, has arrived in the UK

With over £700 billion in assets and more than eight million members administered on our tech across Denmark and the Netherlands, we've helped providers transition to modular, scalable operations without the drama of a 'big bang' overhaul. And now, we've brought that know-how to UK pensions.

Defining legacy

The definition of legacy is an interesting one and we need to understand what that truly means. Legacy in pensions isn't just 'old tech' anymore. It's anything that blocks strategy, slows change, or forces disruptive overhauls. Rather, the modern path is a steady shift to modular, API-first modern administration tech; small, safe steps that compound into transformative impact. The key element here is modular, without that it is extremely difficult to achieve your business objectives and your desired future state.

Legacy is also tied to the 'big-bang' transformation scenario. A scenario to be avoided. Let's be honest, all-or-nothing transformations strain business cases, harden operating models, and amplify delivery risk. No wonder they induce executive hesitation. The modern solution is modular, API-first administration: composed of interoperable components that evolve independently. Think building blocks, not monoliths. Without modularity, even the best strategy is held hostage by inflexible systems.

This shift also sidesteps the old transformation model, the risky, all-at-once 'big bang' approach. That path creates friction, dilutes ROI, and breeds hesitation at the boardroom level. The smarter move is progressive modernisation: targeted upgrades on your terms, with continuous business value and improvement every quarter, not every few years.

Whether it's onboarding, rules engines, retirement processing or data quality, each capability can evolve on its own timeline. Through seamless integration with existing platforms and third-party ecosystems, modular tech allows legacy and innovation to coexist, then, when the time is right, pivot confidently to 100 per cent state-of-the-art modular, modern technology.

You're not just avoiding disruption; you're making ROI visible along the way.

"Next-gen modular administration technology and the inherent agility is future-proof"

Reform fuelled urgency

We often used to say that the industry is moving to a post-pension dashboard era, one where state of the art administration delivered by the modern technology, data quality, interoperability and the like were no longer optional but essential. However, the pace and scale of reform is accelerating, making it even more important that strategies, operating models and the underpinning technology can adapt quickly and deliver a continuously evolving new world.

Next-gen modular administration technology and the inherent agility is future-proof. It enables full-cycle automation, from accumulation all the way through retirement. At its core, this modern architecture creates a powerful foundation for continuous innovation, sustained competitiveness while adapting to reforms. It is also naturally designed to be future-proof from a supervisory perspective, ready to meet the demands of the increasingly digital and data-driven supervisory frameworks on the horizon.

Reduced provider dependency: Configure, don't customise

Next-gen administration technology has a responsibility to change the script and give greater control back to the client, reducing the dependency on the technology partner. Low/no-code tooling lets pension providers and operations teams change product features, rules, fees, and journeys without waiting on vendors. That's real agility. This is a game-changer, imagine being able to compete for any mandate that arrives in your inbox because you know you can deliver the product features whether its DB, DC or CDC. No limitations.

Final thoughts

Next-gen administration is here. No 'big bang'. Just a composable, modular approach that turns administration technology into a strategic asset. A strategic shift, from administration as a cost centre to administration as a competitive advantage – powered by next-gen administration technology.

Written by Festina Finance UK country head, Dan McLaughlin

In association with Festina Finance

CFH Docmail – providing tailored hybrid mail workflow

Chris Burridge reveals how CFH Docmail has benefitted the UK's largest local government pension scheme

Greater Manchester Pension Fund (GMPF) is the largest Local Government Pension Scheme (LGPS) in the United Kingdom, managing pension communications for over 700 employers across local authorities, schools, and the wider public sector.

In early 2024, GMPF launched a comprehensive selection process to find a print partner that could offer great flexibility, robust security, and a bespoke service. Though digital alternatives are used by GMPF, and even greater digital transformation is currently on the horizon for pension scheme stakeholders, physical mail remains a necessity.

GMPF selected CFH based on our strength in providing core hybrid mail capabilities, with high security standards, and a willingness to adapt to GMPF's unique brief.

Initially, GMPF adopted Docmail. Docmail is CFH's intuitive hybrid mail solution that integrates directly with an organisation's systems through a remote print driver, which is accessible from any number of PCs or laptops. Acting as a virtual printer, the Docmail print driver allows users to send documents securely to CFH's production facilities for printing, enclosing, and dispatch, all without the need to physically handle or process documents on site.

Through its partnership with CFH, GMPF benefits from a tailored mailing solution with streamlined workflows that supports over 100 internal users. CFH's system enables GMPF's teams to proof and send a range of essential, personalised paper communications efficiently – from P60s to policy scheme booklets.

The process

GMPF were impressed by the initial onboarding process, with CFH and the GMPF project management team working well together to deliver a seamless transition and ensure all service elements were aligned with operational needs.

A Docmail system onboarding programme gave around 100 GMPF team members access, with training designed to be straightforward and easy to follow. The Docmail print driver is now actively used by GMPF teams daily, with each user benefiting from a customised profile tailored to their specific workflow requirements.

Feedback from GMPF's teams has been overwhelmingly positive, particularly regarding the system's user-friendliness. Features such as 'on-the-fly' address repositioning when uploading letters have been small but impactful enhancements, driving further efficiency for the administrative teams.

Regular check-ins have helped ensure ongoing alignment, issue resolution, and planning for future service developments. A recent example of this collaboration in action was the improvement of the annual P60 mailing process, which is a high-volume, time-sensitive operation that CFH supports annually. Whereas in previous years, this task was broken down into 40 to 50 batches, CFH's team worked alongside GMPF to streamline the approach, resulting in a smoother, more efficient process with zero issues.

> **"CFH have delivered a solution that's shaped around how we work. The hybrid mail system has simplified how we manage high-volume mailings like P60s, and the support from Chris and the team has been invaluable, ensuring the system evolves with us"**
>
> ***Pension Benefits Section Manager, Greater Manchester Pension Fund***

The results

Over a 15-month period, GMPF has successfully sent over 240,000 personalised mailings through CFH, testament to the scale, reliability, and effectiveness of the partnership.

The benefits of CFH's hybrid mail solution for GMPF, including the unique profiler, have been immediate, with further developments on the horizon to streamline processes even further.

The working relationship between GMPF and CFH is one built on trust, adaptability, and expert support. GMPF's Member Services Section Manager reflects positively on the collaboration, confident in the knowledge that support is on hand whenever needed, while the system runs seamlessly in the background.

Written by CFH business development manager, Chris Burridge

Company Profiles

Mantle Services

Mantle Services is a pension software development business with a difference.

Our solutions range from Administration and Actuarial platforms to Asset Liability Management and much more.

We have designed our modern, contemporary solutions to deliver the outcomes schemes and advisers need now, without the baggage of legacy systems.

We license our software to in-house pension schemes and to third-party administrators, actuarial firms and buyout providers.

Festina Finance

Festina Finance is a leading European provider of advanced software solutions for pension administration and personal financial management. We collaborate with pension administrators, funds, insurance companies, and banks across multiple markets, supporting more than €700 billion in assets and over eight million individual savers. Our success stems from a powerful blend of expert knowledge and cutting-edge technology, enabling us to deliver configurable solutions that lower total cost of ownership and set benchmarks for implementation excellence.

Our Festina Life and Pension Platform is redefining how pension administration operates across Europe. Built on a modular, pace-layered architecture, this platform empowers clients with a high degree of flexibility and control. Its no-code configuration capabilities and strategic freedom enable administrators to efficiently support a comprehensive range of products, including defined benefit (DB), defined contribution (DC), collective defined contribution (CDC), and life insurance policies.

Currently, the platform is the market leader in Denmark and the Netherlands, where it powers Europe's largest pension provider, managing assets exceeding £500 billion. In 2025, Festina Finance introduced the platform to the UK market, continuing its expansion and commitment to delivering transformative technology.
Festina Advisor is our state-of-the-art advisory solution designed to enhance financial decision-making. The platform supports advice across retirement planning, wealth management, investments, mortgages, and loans. Originally implemented within core banking applications, Festina Advisor has been successfully deployed with numerous clients for many years. Pension funds, including PensionDanmark, have adopted the platform to streamline advisory processes, with further rollouts scheduled in the Netherlands.

By merging deep industry expertise with innovative technology, Festina Finance consistently delivers scalable, client-focused solutions and is leading in next generation administration technology. Our platforms empower financial institutions to enhance service quality, improve operational efficiency, and adapt to an evolving regulatory and market landscape, whilst ensuring savers have access to efficient pension administration and advice.

Company Profiles

CFH

CFH is a leading UK-based multichannel communications company that provides a comprehensive suite of print, mail, and digital solutions.

A key area of expertise for CFH is the pensions sector, where the company provides critical communication solutions for private pension providers and administrators, local government pension schemes, and third-party pension administrators. CFH services ensure the timely and compliant delivery of essential pension communications, including daily communications, ad-hoc updates, annual benefit statements and payroll.

In 2008 CFH launched Docmail, the UK's first hybrid mail solution, which has since revolutionised the way businesses and organisations manage their communications. Docmail is particularly valuable for the pensions industry, allowing for the secure dispatch of personalised member communications directly from a desktop, with the platform managing the entire printing, packing and mailing process. This not only increases efficiency but also reduces the risk of human error associated with manual handling of sensitive information.

CFH Managed offers pension organisations access to the whole range of CFH solutions, backed by the support of an expert team well versed in supporting clients with their communications for large scale campaigns.

Beyond traditional mail, CFH offers secure digital delivery with multi-factor authentication, providing a reliable and auditable channel for members who prefer to receive their documents electronically. CFH also offers Inbound, focused on inbound scanning and data capture. This solution allows CFH to manage all of an organisations inbound mail, archiving the information into a digital mailroom for effortless processing.

With a commitment to security, efficiency, and sustainability, CFH operates from three UK-based sites in Radstock, Livingston, and Slough. CFH holds numerous accreditations, including ISO 27001 for information security, and prides itself on its innovative approach, customer relationships, and ability to help pension organisations meet their communication obligations with confidence.

CFH®
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Pensions Age

Pensions Age is the leading title targeting those managing UK pension funds and their consultants. Published monthly in print since 1996, and daily online, we invest heavily in our circulation and content to ensure we are the clear market leading title. Our in-house editorial team of Francesca Fabrizi (Editor in Chief), Laura Blows (Editor), Natalie Tuck (Associate Editor), Sophie Smith (Deputy Editor), and reporters Paige Perrin and Callum Conway, ensure we cover the latest news and topical industry issues to help our readers make the best-informed decisions.

www.pensionsage.com is the leading website for pension funds and we look to cover the breaking stories as they happen. With over 24,000 subscribers to our email newsletter service, we offer our readers an unrivalled service. At the core of this is high-quality, news-breaking journalism, combined with in-depth knowledge of the target market and heavy research into data.

Pensions Age also runs highly successful conferences, along with the Pensions Age Awards.

We also publish *European Pensions*, which targets pensions funds across Europe, as well as running the European Pensions Awards and Irish Pensions Awards.

PENSIONSAge

Navigating the changing tide

LGPS funds have been busy working to make the government's fit for the future policy a success, but with looming deadlines and growing scrutiny facing the scheme as a whole, is this work still achievable? Sophie Smith reports

Summary
- The rejection of Access and Brunel has prompted more than 20 Local Government Pension Scheme (LGPS) funds to choose new pooling partners ahead of the 30 September deadline, putting significant pressure on some.
- Despite the tight turnaround, many funds have now made their selection and work to complete this transition is underway.
- But there is still work to be done to ensure that the government's ultimate March 2026 deadline remains achievable; the government should engage with industry to ensure it has realistic expectations.
- The LGPS is also facing growing pressure from political parties, which could risk undermining trust in the scheme.

It's been a turbulent few months for the Local Government Pension Scheme (LGPS) as funds adjusted their plans following the government's latest decisions on pooling. With the rejection of both Brunel and Access, many have had to chart a new course, balancing the pressures of tight deadlines with the broader demands of the government's push for consolidation. The move has already brought both challenges and opportunities, but there is still much more work to do.

Rejection ripples

Pensions UK policy lead, Maria Espadinha, points out that the eight existing LGPS pools themselves are products of prior consolidation, merging the assets of 86 local authority funds in England and Wales. But this number has now been cut to six following the rejection of Brunel and Access.

The decision to reject plans from these two pools was questioned by some at the time, particularly by the two pools involved.

The future for these two is still unclear, although Brunel has made a number of recent announcements suggesting that, despite its forced wind up as an LGPS pool, it has no plans on leaving the industry.

In particular, the group has appointed a new chair to "lead the partnership through this time of negotiation and major structural change", as well as renewing its status as a signatory to the UK Stewardship Code.

But it was not just the two pools impacted, as for the 21 funds within Access and Brunel, the rejection was not just a procedural hurdle, it was a call to re-examine their approach to pooling, as the 30 September partner selection deadline left them with limited time.

Racing against the deadline

This deadline has been one of the most pressing challenges for LGPS funds. While designed to keep consolidation on track, the timeline has proved both a motivator and a source of stress. Espadinha admits that the short timeframe "posed significant pressure for the Access and Brunel funds, who had to undergo a vast due diligence process to ensure their choice of pool would be right for them and their members".

However, she says that "whilst questions have been raised around the decisions involving Access and Brunel, the LGPS is now working extremely hard to make the next steps a success... It seems LGPS funds rose to the challenge and transition work can now begin".

Indeed, at the time of writing, nearly all of the 21 funds in need of a new pooling partner had confirmed their selection, with the majority split between LGPS Central and Border to Coast.

For now, Espadinha says that the priority for funds that have had to select new pools will be the transition of assets, "which should be done is a way that is favourable for funds, and savers and not to obey an arbitrary timeline".

"Partner funds of the pools that will accommodate new entrants should ensure cooperation and collaboration between them continues to run smoothly," she adds.

But the work behind this is also a big ask, as Hymans Robertson head of LGPS client consulting, Robert McInroy, raised further concerns at the Pension Schemes Bill Committee hearing, warning that "LGPS funds and the pools already have a very full to-do list, and they have stretched resources".

"They are asked to deliver an awful lot in a short period of time. They are transferring all of the remaining assets from the funds to the pools, and there is still about 30 per cent of those assets to come in a short period of time," he adds.

However, McInroy admitted that the shorter timeline may be needed, noting that the planned consolidation had already caused a degree of inertia, as some put off new investments if unsure how they would fit with their new pool.

However, it is not just the practicalities of transitioning assets themselves, as Redington investment consulting director, Sam Yeandle, points out that time will also need to be spent strengthening the relationship, better understanding their chosen pool's way of working and connecting/collaborating with other partner funds.

In particular, he encourages funds to formulate a clear set of objectives and investment beliefs to facilitate a more collegiate and transparent relationship with the pool, warning that those who don't risk losing a "significant amount of their autonomy" post transfer.

"We are still concerned with the overall timeline for delivering the changes, especially given administrative challenges"

National scale, local investment?

Alongside timing concerns, a recurring theme in the transition so far has been the tension between local investment ambitions and the drive for pooled efficiency. Yeandle admits that these changes could have implications for regional investment strategies, noting that the Brunel funds, for instance, had several examples of collaborative local/regional projects, the Wessex Gardens Fund being perhaps the most notable.

"Going forward, where pools' partner funds cover a more significant but disparate portion of the country, pools may struggle to replicate this more 'regional' approach. Instead, being forced to invest either very locally or nationwide," he warns.

Yet, both Espadinha and Yeandle are optimistic that careful policy design and cooperation can mitigate these risks.

"If the approach to local investment is undertaken successfully, there is no reason why geographical ties could not ultimately be strengthened," Yeandle says.

"It also helps that the government has defined local investment to be considered broadly as local or regional to the fund or pool, which means that funds will be able to invest in local assets of their pool partner funds," Espadinha adds, arguing that, more important than geographical unity is culture and cooperation between partner funds.

Consolidation in context

But it's important to remember that this is just one piece of work on the LGPS's already very long to-do list, as the pooling changes and push for consolidation make up just one element of the 'Fit for the Future' policy.

And despite the level of optimism surrounding the work, concerns remain, with the government's March 2026 LGPS pooling deadline looming large.

A spokesperson for Border to Coast says that it is is on track for this, explaining that its previous plans to build up its capacity and capability laid the foundations to enable the pool to deliver by the March 2026 deadline.

"This is a time of transition for the LGPS," they stated. "Our partnership believes that by working together we can build on the collective experience and capabilities of all funds to strengthen our collective voice and enhance our combined ability to deliver robust, sustainable, and cost-effective outcomes."

However, Espadinha cautions that while funds have made significant progress, the overall timeline may be overly ambitious, particularly given the broader LGPS workload.

"We are still concerned with the overall timeline for delivering and implementing the changes, especially in the context of administrative challenges such as McCloud or dashboards, other legislative changes expected for the year,

Local Government Reorganisation, and considerable change in council administration," she says.

This is echoed by Yeandle, who highlights the ongoing pressure that fund officers are under, as well as the limited time available to pensions committees. "It is inevitable that while this work is ongoing, other activities will face some disruption, and these challenges will need to be carefully managed," he says.

Such concerns were also prevalent at the recent Pension Schemes Bill hearing, as McInroy argued that "there is a huge magnitude of change in these reforms".

"Every pool has been asked to build advisory functions, that is all from scratch, apart from one," he continued.

"They have been asked to build local investment capabilities as well, which is of paramount importance to be able to kick-start and contribute to the UK economy, and to implement some of these governance reforms.

"That is a huge amount to do under any timescale. Some of what is envisaged in the consultation is that this would be completed in a little over six months' time. That puts risk on some of these reforms, and I think that should be recognised."

This is arguably particularly concerning when considering that much of the broader work that could be sidelined is highly emotive for members, with delays around the McCloud remedy, for instance, already making headlines for other public sector schemes.

And the LGPS is likely keen to protect its reputation at the moment, with Reform UK placing renewed focus on the scheme after recently accusing local pension committees of being "negligent", by overpaying on fees and underperforming on returns.

Speaking at a party press conference, Reform UK Deputy Leader, Richard Tice, argued, currently, there is "no accountability – no responsibility", warning that there is a "gravy train culture" in the LGPS.

And whilst work is underway to cut the level of pools, Reform UK has instead suggested that it would look to launch its own 'Reform UK' pool. The realities of this may be unlikely, but it is a sign that politics could be at risk of creeping even more into local government pensions, at a time when the LGPS is already facing growing pressure over its future investments.

Indeed, whilst much of the broader mandating concerns focused on the government's broader reserve power, there are emerging concerns around the inclusion of broad powers for the government to set criteria for how LGPS pools operate, with some worried this could be 'mandating by another name'.

During the latest Pension Schemes Bill hearing, Border to Coast CEO, Rachel Elwell, said that "it is important that any use of mandation is very carefully considered, and that the laws of unintended consequences are really thought through".

"I can understand why government would want a backstop power to direct pools, because the LGPS is significant," she said. "But it is important that we clear the scenarios in which it is envisaged that it might be used."

Navigating uncharted waters

Further engagement with the industry is clearly needed, but with much of the bill reliant on secondary legislation, there is still time for this much-needed clarity to be given.

"Pensions UK encourages the government to continue engaging with funds and pools to develop a roadmap for delivery that is more practical and realistic," Espadinha says.

For now, the LGPS continues to pool its resources, both literally and figuratively, in order to continue navigating a sea of change.

Written by Sophie Smith

Making moves

Many, perhaps most, pension scheme memberships or other retirement savings vehicles will be transferred in some way before an individual retires. David Adams looks at how the popularity and efficacy of different types of transfer are being influenced by improving practices and by regulatory and market conditions

Summary

- The most common form of pension transfer is still via BPA de-risking transactions for DB schemes, despite administrator capacity issues. Insurers continue to increase capacity, while transition practices and services are also improving.
- Numbers of DB to DC transfers have fallen, as transfer values are much lower than three or more years ago. Regulatory changes are reducing scamming risks, but they remain very dangerous.
- DC to DC transfer activity is low, but surely set to increase in future, as more people seek to consolidate multiple pots, and more smaller DC schemes and vehicles are consolidated.

Many pensions end up being transferred in some way. Most active or deferred members of private sector DB schemes will have their pension transferred to an insurance company through a buyout bulk purchase annuity (BPA) transaction. Others will choose to transfer from a DB scheme into a DC arrangement, in order to use retirement savings in another way – hopefully not because they have been scammed. And many will either have DC pension pots transferred for them into master trusts or will themselves choose to consolidate some or all of their DC pots.

Any transfer can enhance retirement incomes and help trustees discharge their fiduciary duties. The collective economic impact of large numbers of transfers could also be very positive, by enabling insurers or large pension vehicles to invest at scale in productive UK assets. But completing transfers is not always easy, for practical, regulatory and other reasons. How effectively is the pensions industry facilitating these transfers and enabling the positive outcomes they can deliver?

BPA de-risking: Buy-in and buyout

The market has had some ups and downs in recent years, but the long-term trend for more DB schemes to use buy-in and then buyout transactions has continued, thanks in part to improvements in scheme funding, but also to an expansion in insurer capacity. In August, Aon predicted a "very busy" second half of 2025 for the market, noting that despite a fall in overall volumes H1 2024, the number of transactions has increased, driven by deals involving more sub £100 million schemes. It expects the final total for 2025 to be close to the record of 293 set in 2024.

The problem is, as more schemes complete a buy-in they join a queue of schemes that will need to complete data cleansing and other data and benefit administration processes before they can complete a buyout.

"There's often a misconception from sponsors about how easy it's going to be," says LCP senior consultant, Alex Stobbart. He points out that every scheme has its own unique history and idiosyncrasies in terms of data or benefits, which may create additional complications and delays.

Analysis published by Hymans Robertson in July 2025 found that three-quarters (76 per cent) of professional trustees were reporting delays in buyout and wind-up processes. The average delay was six months, but some stretched to two years. Delays were blamed on data issues, on administrator capacity being strained by GMP equalisation projects; and on delays linked to insurers' processes.

One major problem is a lack of capacity among administration providers. This is not very surprising when one considers the amount of work that GMP equalisation is creating, alongside additional pressure on resources imposed by preparations for the roll-out of pensions dashboards.

Meanwhile, the speed at which an insurer can enable the transition from buy-in to buyout is becoming a more important factor in insurer selection, says PwC managing director and leader of the risk transfer business, Matt Cooper.

"I've advised on transactions where it wasn't the insurer who was leading on price that was selected, but one able to demonstrate they had a swift transition process," he says, noting that the amount of money saved by completing the transition faster often equalled or exceeded any additional premium the trustees and sponsor had chosen to pay.

Cooper points out that insurer selection also needs to take into account the fact that most insurers use their own working methods and have set preferences for the format in which data is supplied. PwC has developed a buy-in to buyout formula consisting of nine phases to take schemes through the transition and beyond to wind-up and helping them to engage with a chosen insurer. The first six phases are designed to take the scheme to a complete buyout within 12 to 15 months, including a buy-in to buyout transition lasting six to 12 months.

In July, a report published by the Society of Pension Professionals (SPP) found that the insurance market was responding to increased demand, bolstering its capacity to process BPA transactions, particularly those involving sub-£100 million schemes. Aviva has developed a proposition to help process BPA transactions for smaller schemes, Aviva Clarity. It offers standard data and benefit templates and can produce benefit specification, member data and reconciliation cashflows before offering a quotation.

But Cooper believes the most important step any scheme can take is to start preparations for the BPA process as early as possible.

"Do more of the data and benefit work up front," he advises. "Having a properly legally signed-off benefits specification will typically flush out any skeletons in the closet."

Barnett Waddingham head of bulk annuities, Nikhil Patel, says some schemes are slowing their strategy to ensure completion of these preparations before buy-in. "That might mean you can save time as you move towards buyout," he says, citing one scheme that was able to move from buy-in to buyout in the space of five months by using this strategy.

Some external factors could influence the BPA market too. In the longer term, DB superfunds will offer an alternative endgame. Before then, measures contained in the Pension Schemes Bill that would allow DB schemes to release surplus funds may lead to some schemes choosing to run on for longer than previously planned.

Cooper says some larger schemes have taken "a bit of a pause" as they consider the potential attractions of running on versus buyout, in the light of the proposed changes on surplus extraction. "It might just mean that they defer some of these transactions – and that might be helpful in that it gives schemes more time to work on cleansing their data," he says.

DB to DC transfers

Since the introduction of the freedom and choice reforms more than a decade ago, almost all DB scheme members have had the option to transfer the cash equivalent of DB benefits into a DC scheme. There was a spike in popularity for this type of transfer a few years ago, when cash-equivalent transfer values (CETVs) quoted to members reached record levels, but in recent years transfer numbers have fallen: From 18,080 in 2022/2023 to 7,181 in 2023/2024, according to the most recent Financial Conduct Authority (FCA) figures.

"The key reason is because transfer values are lower," says Barnett Waddingham principal and senior consulting actuary, Mark Tinsley. "That's especially the case if they received the transfer value five years ago."

By mid-2025 the XPS Group Transfer Value Index was about 10 per cent lower than a year earlier, despite the first month-end increase seen during 2025; up to £141,000 in June, from £137,000 in May – which had been a third record monthly low in as many months. Indeed, transfer values have effectively fallen by more than 40 per cent during the past three years, due in large part to increased gilt yields.

"Yield increases mean the cash equivalent value is lower than previously – in particular before the mini-Budget," says Hymans Robertson head of DC corporate, Hannah English. "This will be a large factor in someone's decision making. They will want to be confident that the cash value they receive in the DC scheme reflects the loss of the guaranteed income being given up."

"Another reason is that pension schemes are now much less likely to run bulk transfer exercises," says Tinsley. "From the employer side, the key reason for running those exercises was to manage scheme deficits. With funding improving so much, that drive isn't really there."

But another factor is scamming activity targeting people considering DB to DC transfers, inflicting terrible financial damage on some victims. The introduction of regulatory warning signs – amber or red flags, which delay or prevent transfers – has prevented some of this criminal activity.

"That's been a very positive development," says SPP DC Committee deputy chair, and Travers Smith partner, David James. "The stakes are so high for members – potentially losing their life savings – that the extra steps someone needs to take are worth it. But there have been some teething problems: The flags can go up a bit lightly. The receiving scheme having any overseas investments is an amber flag – and you would expect the receiving scheme to have overseas investments."

The DWP has said it will seek to continue improving the effectiveness and accuracy of the system. James also suggests that the growing use by providers and schemes of 'clean lists' of schemes and vehicles to which it is safe to complete a transfer, is a promising development.

Individuals are likely to be better protected if they have access to either regulated financial advice or effective guidance. Problems created by the price of the former and the limitations of the latter have been exacerbated in recent years by the arrival of both generative AI solutions and online influencers as alternative potential sources of questionable "guidance". James is pleased that the government and the FCA are going to enable authorised firms to offer targeted, tailored support to groups of consumers who have similar characteristics and circumstances and are seeking to use pension and investment products.

DC to DC – and the future of pension transfers

The fact that in future many more people are likely to have multiple pension pots, held in different types of schemes and other vehicles makes it more likely that we will see larger numbers of DC to DC transfers in future. But this is not yet happening on a large scale.

"The ease with which all of these types of transfer can be completed is set to become an ever-more important issue in future"

"DC to DC activity is not particularly high," says English. "Fear of scams is likely to one element, but not the key reason. More likely it's the lack of engagement with pensions that has the biggest impact on activity. Many savers have limited knowledge of the options available to them."

Advice/guidance availability is a factor here, but so is inconsistency in the ways schemes and providers approach transfers. In June, Penny Pensions published research that suggested practical barriers were impeding transfers, including providers producing excessive and time-consuming paperwork – or failing to provide any paperwork.

The pensions consolidation service provider PensionBee has launched a petition demanding a 10-day pension switch guarantee. Its research suggests that under the current system some transfers may take months to complete and that this is causing disillusionment and disengagement among consumers, as well as frustration. However, a recent FCA review found that most transfers it studied are completed within 20 days. The FCA also found that use of digital processes tended to accelerate transfers.

The changing profile of PensionBee's customer base may indicate future transfer trends: It is seeing increases in numbers of customers aged under 30 (20 per cent of new customers joining in H1 2025 were in their 20s, compared to 17 per cent a year earlier); and the number of pensions held per customer is rising.

Both trends may reflect the growing tendency for younger people to move more quickly from one job to the next than did older workers – and perhaps also some increased engagement with pensions among younger people. But the company also has some customers in their 50s who are seeking to combine more than 10 different pension pots.

James has also encountered some individuals facing what might be termed extreme transfer challenges as they plan for retirement: He cites someone he met recently who had almost every kind of pension possible, including public sector, DB, DC, and master trust memberships.

"We've moved a long way away from a world of DB, where it was simple for people," he says. "Now, if people are deciding whether or not to consolidate pots or transfer, is that decision so complicated that it leads to paralysis?"

This question is likely to become ever more pressing for the pensions system. As James says: "There's quite a lot to think about, as an industry, and a lot to try to improve."

Written by David Adams, a freelance journalist

Deeds and misdeeds: The section 37 saga

The government's plans to introduce legislation to deal with issues arising from the *Virgin Media* judgment has helped put an end to the long-running uncertainty surrounding this issue, but little is known on the detail so far. Sophie Smith reports

More than a year after the landmark *Virgin Media v NTL* ruling sparked widespread uncertainty through the pensions industry, the dust is far from settled. While recent government pledges to legislate have offered trustees and sponsors a welcome reprieve, questions continue to hang in the air, and uncertainty continues to plague schemes and advisers trying to gauge the full extent of their exposure – with the full scope, detail and timing of the government's plans yet to be confirmed.

Centred on the requirement for written actuarial confirmation under section 37 of the Pension Schemes Act 1993, the *Virgin Media* case has had significant implications for DB schemes with contracted-out rights, after it overturned a widely held understanding around scheme amendments.

The original High Court ruling in June 2023 found that *Virgin Media* had failed to comply with section 37 when amending its pension scheme rules. The court also determined that any changes to section 9(2B) rights in contracted-out DB schemes required written actuarial confirmation in order to be valid – regardless of whether the changes increased or reduced benefits, and regardless of whether they applied to past or future service.

This marked a departure from the approach previously taken by many schemes, which had only sought confirmation in cases involving reductions to accrued right. It also established that the absence of such confirmation rendered the amendments void, not merely voidable.

In July 2024, the Court of Appeal upheld the High Court's decision, confirming that the statutory requirement applied broadly and had not been limited to reductions or to changes affecting past service only.

Overturning a 25-year consensus in pensions, industry experts warned at the time that this could have significant consequences for schemes that made amendments between 6 April 1997 and 5 April 2016.

And whilst this brought nearly a year of uncertainty, the recent news (June 2025) that the Department for Work and Pensions (DWP) intends to bring forward legislation to address the issues arising from the ruling was greeted as a welcome update, with many breathing a collective sigh of relief.

The initial details were minimal, with just three paragraphs for the industry to go on.

This provided some early insight, confirming that the proposed legislation will enable trustees and sponsoring employers to retrospectively obtain the required written actuarial confirmation where it had not originally been secured. The intention is to provide a statutory route to validate scheme amendments that would otherwise be void due to the absence of section 37 compliance.

According to the DWP, the legislation will aim to deliver legal certainty without altering the underlying regulatory framework for DB schemes or affecting the pension promises made to members.

While welcomed as an incredibly "helpful" step forward, Zedra client director, Alistair Meeks, warns that it is "not a silver bullet", as the industry awaits further detail on how the legislation will operate in practice.

The shift away from uncertainty, but not all the way to confidence, was most clearly seen in many businesses annual reports.

Several large employers, including Rolls-Royce, Heathrow, and Rathbones, have referenced the potential implications of the *Virgin Media* ruling in their financial reports, confirming that whilst they do not expect the ruling to result in additional liabilities, they are awaiting further details on the case and are continuing to monitor the situation.

However, some further details have since been revealed, with changes designed to address these issues making up some of the more than 200 amendments tabled to the Pension Schemes Bill since it entered the committee stage.

In particular, this confirmed that the test won't rely on historical data, which industry experts such as Meeks had suggested could cause issues given much of this data was stored on paper, and may no longer be held.

"We are pleased to see that the government has understood the need to position the retrospective test carefully," Arc partner, Sonya Fraser, says.

"The actuary has to confirm it's reasonable to conclude that the alteration(s) would not have prevented the scheme from contracting out. This is subtly different from confirming that the scheme met the reference scheme test at the time, because that may depend on data, which doesn't now exist.

"We anticipate that this will enable a lot of schemes to solve any *Virgin Media* problem."

This was echoed by LCP partner and head of pensions research, David Everett, who commented at the time that the amendments represent a "well-thought through intervention that should enable a comprehensive resolution to be achieved as well as enabling further legislation to be produced should the need arise".

"The clauses providing for the new actuarial confirmation reflect the need for a pragmatic approach and as such are most welcome," he stated.

Fraser confirms however, that actuarial professional guidance is going to be important so there is still an element of 'wait and see'.

"But it seems safe to expect that it will cover most PRAs, if not all," she says. "If any scheme was about to act on corrections for section 37 issues, it's important to pause and reconsider as corrective action could take them out of the scope of PRAs."

And for schemes facing a time crunch, Fraser says it may be possible to complete the necessary actuarial process before the bill becomes an act.

"Schemes considering this route should take advice on how much risk this would entail, and the scheme actuary may have their own views," she continues.

"Wound-up schemes will apparently have blanket approval. This is helpful for those that have completed winding-up, and may present a window of opportunity for those that are close to it."

Further clarity could come from other sources, as a separate High Court case involving The Pensions Trust is expected to explore several unanswered questions, including whether retrospective confirmation is valid in all cases, how courts might treat partially valid amendments, and whether severance – the ability to preserve parts of an amendment – is legally permissible.

But until the outcome of that case is known and the DWP's legislation is finalised, trustees must continue to manage potential risk and engage with advisers on any areas of uncertainty.

Some are also looking to prepare for future disclosures or engagement with auditors and insurers on the issue, particularly for schemes undergoing corporate transactions or winding up.

The *Virgin Media* ruling has placed a spotlight on historic amendment processes and the importance of procedural compliance. While the DWP's legislative plans have helped to ease immediate concerns, the full resolution of the issue will depend on how the legislation is implemented.

As the industry awaits the next round of developments – both in court and in parliament – schemes are being reminded that compliance with statutory requirements, even those once considered technical or peripheral, remains a cornerstone of effective pension scheme governance.

Written by Sophie Smith

Taking measurements

Improving DEI within the pensions industry has risen up the agenda in recent years, but how can we tell what efforts are working, what tangible improvements are being made, and what areas need greater improvement?

Summary

- DEI policies have been broadly welcomed by the pensions industry, but lag in progress.
- DEI is a broad church within the industry, encompassing multiple pillars.
- The anti-DEI headwind from the US could impact UK efforts.

If there is one subject that the pensions industry has seemingly come to agree on, it is that of the social power of diversity, equity and inclusion (DEI) policies.

These policies, it seems, are now spreading out across the UK pensions sector, with pushes coming from places like The Pensions Regulator (TPR) and the Pension Protection Fund (PPF). Both have been at the forefront of pushing in this area. In 2023, TPR launched its first published guidance DEI, with the ongoing work since a continuing thrum.

Likewise, the PPF launched in June a revision of its DEI strategy, which sought to build on the work it had done since 2020 while simultaneously looking ahead to the three-year period beginning from 2025.

Yet despite all the work done in this area, many scheme trustees still lack confidence in embedding DEI principles into their processes. In July, Barnett Waddingham said that the vast majority of trustees – 91 per cent – said they felt confident in the guidance from TPR around DEI. Despite this, 45 per cent said their DEI strategies had no bearing on their trustee hiring processes – an issue that *Pensions Age* said at the time ran contrary to the same TPR guidance.

Barnett Waddingham also found that beyond hiring, DEI did not play a part in several key governance areas, with 26 per cent stating that it did not play a part in choosing a chair for the board and 29 per cent said it did not play a part in trustee succession planning.

There does seem, from anecdotal evidence at least, to be a picture in which regulators are pushing trustees and the rest of the industry in one direction, and those trustees and the industry are willing to go, but seemingly cautious at the speed of travel.

"The past few years have been really pushed by the regulator," says Pinsent Mason head of pensions solutions, Christina Bowyer. "I don't think trustees were desperately alive to it. The regulator put out DEI guidance that suggested that trustees and their sponsors should consider how they get their schemes to comply with DEI themes and requirements. How can these places be making good decisions if they just have boards of old, grey men making those decisions about people in different environments?"

She adds: "How do you help people make those decisions if they are not alive to the concerns, issues, and things that are important to all of them. It's difficult to see those things unless you have been in that environment."

It is perhaps important to define DEI in a wider context than just the three letters that make up its acronym.

According to TPR, writing earlier this year, the industry bears responsibility to look at issues that "may disproportionately impact different groups such as ethnic minorities, women, people from the LGBTQ+ community, people of all socioeconomic status, people with physical and mental health conditions and disabilities, and those who have caring responsibilities".

The industry, said TPR, should look to understand the needs of those cohorts and work to remove barriers to prevent them from participating fully in the pensions industry.

How does DEI fit within the pensions industry?

DEI within the pensions industry is a broad church that largely falls into three columns. These echo the current work being undertaken by Scottish Widows in this area. Here, the company bases its DEI work around inclusive governance and behaviour, inclusive insight and design, and inclusive support and experience.

"There are lots of different angles on it," says Sackers partner, Eleanor Daplyn. "There's DEI when it comes to the workforce. That's a personnel issue, whether it's law firms, investment managers, or investment consultancies. There's also diversity within trustee boards and committees. So, there's that personnel angle. But there's also the angles of investment, outcomes, and in how you communicate."

Much focus in recent months has been on how to measure the impact of these schemes. Some would suggest that not enough work has yet been done. TPR's *Trustee Diversity & Inclusion Survey,* published last year, said that the 'typical trustee' was still a white man over the age of 45. The same survey also found that less than a quarter (24 per cent) of trustees were women and fewer than one in 10 (9 per cent) were under the age of 45.

"The biggest measure for me," says Zedra's managing director, Manjinder Basi, "is whether your membership and trustee board reflect one another. For that to happen is real, tangible proof that things are changing."

There are other areas in which improvement is said to be needed, mostly around closing issues such as the gender pensions gap and in how schemes and the industry communicates with its customers.

"One area we need to focus on," says Daplyn, "is on removing the use of jargon and thinking about the sort of language that we use with our members. The average reading age of adults in the UK is about eight or nine *[11, according to material from Scottish Widows],* but we send out pensions communications that are coached in a lot of financial speak and can be grammatically dense. That's not helpful."

"Much focus in recent months has been on how to measure the impact of these schemes. Some would suggest that not enough work has yet been done"

The issue of communication goes beyond how the industry talks with consumers. It also impacts, says Daplyn, recruitment within the industry.

She adds: "Every three years, a trustee board will go to members and ask if anyone is interested in being a trustee. Those communications are very boring, printed only in black and white. They tended to be couched in terms of what being a good trustee looks like. We're now seeing more emphasis on describing skills and abilities in more-open ways that don't emphasise that you need to be a certain age or have a certain set of experiences."

Where can improvements be made?

Other areas need to be improved upon, particularly in how the industry views DEI. This year, the PPF announced after five years of its own DEI efforts that it is now looking at the issue for the first time through two new lenses: Social mobility and LGBTQ+ inclusion.

When asked why these factors were only now being considered by the PPF when it comes to DEI, the PPF chief governance, risk, and legal officer, Dana Grey, said that the move had come on suggestions from its employee base.

She added: "For our next strategy, we wanted to look at what more we should do, and we took an employee-led approach. We ran focus groups across our whole organisation and got feedback from people in underrepresented groups. Those surveys were run by external partners, and then we pulled it all together."

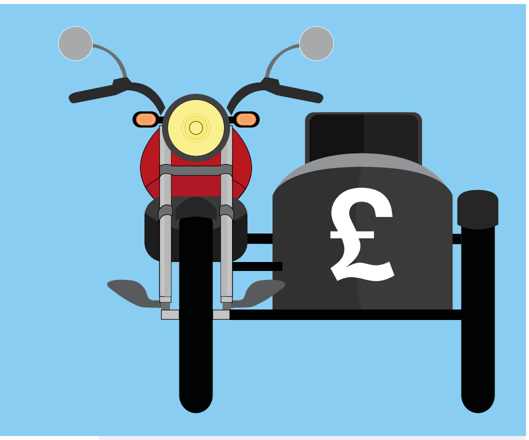
"There is shift to thinking about it more," says Pensions for Purpose director, Laasya Shekaran, in reference to social mobility. "Socio-economic diversity is so important in trying to reflect the membership base as it is often those members who face inadequacy in their long-term outcomes. They save less, so the compounding effect is lost."

But if the winds have been blowing in one direction, there is an intimation that things could shift. In the US, the second Trump administration has pushed back strongly on DEI policies. And in the UK, the political parties Reform and the Conservatives have implicitly and explicitly criticised the movement.

"The US doesn't happen in a vacuum," says Shekaran, "so we shouldn't completely dismiss the idea that it could come to the UK."

It is on the investment side, she adds, where the pushback could be strongest. "We are exposed to it because of some of the US exposure that's in our portfolios. And there are certain groups that are anti-migrant, anti-DEI, and anti-women. There's also the rise of certain social media figures. So, yes, there are things that make me feel that it not just in the US, but that it could come here."

Written by Pete Carvill, a freelance journalist



Making sidecars stick

Sidecar savings are emerging as a potential tool to boost workers' financial resilience – but employers and providers face operational, technical, and regulatory hurdles. Paige Perrin investigates the challenges and opportunities

Summary
- The pensions commission's revival brings attention to new savings models, including sidecars.
- Sidecar schemes face implementation hurdles: Regulatory uncertainty, operational complexity, and engagement challenges.
- Opt-out defaults and clear design could be key to improving adoption.

The government's revival of the Pensions Commission in July has brought some widely unexplored areas to the fore, including the sidecar savings model. Although the commission's final report is not expected until 2027, the government's willingness to explore measures such as sidecar savings represents a step forward.

Secretary of State for Work and Pensions, Liz Kendall, said she wants the commission to propose ways to broaden access and tackle pension inequalities in pension saving, including by examining tools like sidecar savings.

The Financial Conduct Authority (FCA) says it welcomes this statement, noting the potential of innovative solutions to help workers cope with financial pressures.

FCA director of retail banking, Emad Aladhal, adds: "Financial inclusion is a shared effort, which is why we're teaming up with partners and playing our part to help businesses understand how to apply the rules for the benefit of consumers. This clarity should give employers greater confidence to offer savings schemes that can help people navigate their financial lives."

Recent analysis from the Department for Work and Pensions shows that four in 10 people under save for retirement, and 45 per cent of working-age adults save nothing, highlighting challenges for the UK pension system. These findings are not only concerning but call into question the current viability of the UK pension system.

Barriers and design challenges

Against this backdrop, sidecar savings have been put forward as a potential way to ease the pressure, helping people build short-term financial resilience while still saving for retirement.

Yet, Redington head of DC and financial wellbeing, Jonathan Parker, cautions that while sidecars are a "smart idea on paper", they've "struggled to cut through in practice" as employers often see them as an additional administrative burden and unclear regulatory guidance.

Both Parker and Resolution Foundation economist, Molly Broome, point to sidecar's design as both a barrier and an opportunity.

Parker notes the lack of standardisation makes sidecar schemes "daunting" for employers, while Broome highlights that effective design is critical for reaching low-income families.

"For sidecar models to gain traction, they need to be simple, intuitive, and backed by clear evidence of impact. That means better integration with payroll systems, clearer messaging, and ideally, leadership from policymakers to help shift the dial," Parker says.

He says these adjustments could make sidecars a valuable part of the workplace savings toolkit, but the industry is "not quite there yet".

Another key barrier for sidecar savings is the opt-in approach.

Nest Insight managing director, Will Sandbrook, highlights that take-up for opt-in schemes is around 5 per cent, with the lowest earners, who could benefit most, often unable to redirect contributions.

Supporting this, Money and Pensions Service senior policy and propositions manager, Michael Royce, found that switching to an opt-out default greatly increased employees directing pay into a cash account. Sandbrook calls this a "breakthrough", with participation rising to seven in 10, showing opt-outs could boost sidecar adoption.

Hymans Robertson personal wealth client director, James Smith, notes that pilot programmes proved the concept works, and now the right conditions are needed for it to succeed at scale.

However, he says: "Diverting gross pay into a sidecar saving scheme on an opt-out basis risks breaching minimum wage laws and setting them up can often mean amending contracts."

Parker adds: "To encourage innovation, policymakers need a more flexible regulatory framework, one that recognises the importance of short-term financial resilience alongside long-term retirement outcomes."

While opt-out defaults clearly boost participation, challenges remain for those who could benefit most.

Pensions Policy Institute head of modelling, Tim Pike, notes that the lowest earners stand to gain the most from tools that enhance financial resilience. Yet, when employers offer only minimum pension contributions, there's often no headroom to divert funds into a sidecar – presenting a "significant challenge" for members who could benefit the most.

Similarly, Broome argues that higher pension saving may not be optimal for the many people with little or no rainy-day savings. She calls for a move away from a 'one-size-fits-all' approach and towards contribution models that better balance long-term pensions with short-term precautionary savings.

Pike adds that it is not only about creating the right product, but about ensuring the right people are reached at the right time.

Together, their comments underline that while behavioural nudges like defaults can boost participation, success hinges on whether employers and policymakers can create simple, scalable models that fit within existing systems.

This is particularly relevant because people often forgo saving or take on debt when faced with unexpected expenses.

Parker highlights that this is where sidecar savings could help. "By giving people a way to build up a buffer alongside their pension, sidecar savings could help reduce that tension," he says.

Implementation and ownership

This raises the question of who should take responsibility for implementing sidecar savings. Industry experts are divided, with opinions differing on whether employers, policymakers, or the government should lead the charge.

Smith argues that responsibility for offering a sidecar "has to start with policymakers", as regulation is needed to make schemes viable for employers.

He highlights key challenges, including minimum wage compliance, added complexity from overflow mechanisms, and uncertainty over tax treatment – particularly if sidecars were to be integrated with pensions, which he says up until this point most trials have kept the two separate.

While some worry sidecars could dilute pension contributions, Smith points to Nest's research that shows pension participation is largely unaffected when schemes use an opt-out approach.

Broome agrees the government should take the lead, suggesting sidecar savings be included as part of what the commission explores to avoid employees "missing out" if responsibility falls only to employers.

Sandbrook and Parker call for a shared effort, noting that the whole industry has an important role to play.

"By giving people a way to build up a buffer alongside their pension, sidecar savings could help reduce tension, boost engagement, and ultimately strengthen outcomes across the board"

Parker says employers are well placed to offer sidecar products due to their payroll systems and workforce relationships, but it's "not realistic" to expect them to lead in the current economic climate. Providers, he argues, have the expertise to design scalable solutions, while policymakers hold the levers to set the right incentives.

"What's missing is coordination. If we want sidecar savings to become mainstream, we need a framework that makes it easy for employers to plug in – with clear standards, minimal admin, and demonstrable impact," he says.

The consensus seems to be that no single actor can deliver sidecars alone – but without stronger government leadership, progress risks stalling.

Pensions Commission and adequacy

With questions around ownership and implementation still unresolved, attention is now turning to the next phase of pension reform.

Many experts see the commission's revival as a key chance to bring payroll-linked savings like sidecars onto the policy agenda. Sandbrook says he is encouraged to see sidecar savings earmarked for review.

"Making it a formal part of the discussion and creating the time and space to analyse whether it could complement the current auto-enrolment system is the right next step," he says.

Parker also welcomes the renewed focus, calling it "long overdue". "The revival of the commission and the second phase of the pension review give us a rare chance to take stock of what's working and where the gaps are," he says. Payroll-linked savings mechanisms like sidecars, he adds, "could play a key role in bridging those gaps, especially for financially vulnerable people or disengaged from traditional products".

Smith warns there is a "danger" that sidecars could be "misread as a distraction" but argues the commission should instead see them as an opportunity to improve engagement, flexibility and resilience.

"They fit perfectly with the UK's under-saving challenge and the government's push for financial resilience, which leads to greater productivity and growth," he says. Whether sidecars feature in phase two, Smith adds, will depend on how the commission defines adequacy.

Sidecar savings could bridge short-term resilience and long-term retirement security – but only if policymakers, employers, and providers make them simple, scalable, and inclusive.

Written by Paige Perrin

The psychology of decumulation

Callum Conway explores how pensions policy and product design can work with – rather than against – human behaviour

Retirement, by definition, is a financial milestone – marking the transition from working life to life after work. It's tempting, then, to view it purely through an economic lens: Contribute early to a pension, save steadily, and drawdown sensibly in later life. Simple, right?

Not quite. While retirement may be a financial event, the decisions surrounding it are deeply human and often irrational. From procrastination and indecision to impulsivity and short-term thinking, our psychological wiring often works against us when it comes to managing pension savings.

Auto-enrolment (AE), introduced to workplace pensions across the UK in 2012, tackled one of the most powerful behavioural barriers: Inertia. By making pension saving the default, it removed the need for individuals to actively opt in – a clever use of human nature to drive long-term benefit, which has had remarkable success.

By contrast, pension freedoms – rolled out in 2015 – granted individuals greater flexibility over how and when to access their savings. But freedom brings complexity, and many savers continue to struggle with the burden of choice.

Hymans Robertson head of DC markets, Paul Waters, says the reforms drove a major behavioural shift: Pension pots are often spent earlier, despite surveys consistently showing that what people value most is a secure income that will last a lifetime.

The two reforms illustrate the extremes of behavioural design: One aligned policy with human nature, to great success, the other placed responsibility back on individuals, with mixed results.

Why guidance falls short

In theory, guidance services such as Pension Wise should help bridge this gap. In practice, uptake remains stubbornly low. Procrastination, choice overload and low perceived relevance all deter engagement, even when guidance is free.

The deeper issue is that policy often assumes people behave like rational economic actors. In reality, biases such as inertia, loss aversion, present bias and framing frequently derail decision-making.

Indeed, Waters observes that "a large part of the design work and analysis carried out by the pension industry is framed around optimal behaviour and rational economic models".

Oxford Risk head of behavioural finance, Greg Davies, agrees that the biggest challenge is helping people engage and act in the face of complexity.

"Retirement isn't just a financial shift – it involves a series of emotionally charged high-stakes decisions. Yet many people reach this point under-informed, anxious, and without the structured support they need," he explains.

Research from the Institute for Fiscal Studies (IFS) backs this up.

Its 2025 study found many retirees feel overwhelmed by the decisions they face, with some withdrawing funds in full, defaulting into cash or delaying choices simply to avoid stress.

The Financial Conduct Authority (FCA) *Retirement Outcomes Review* reached a similar conclusion.

Since 2015, over half of pots accessed have been fully withdrawn – most under £30,000 – while annuity purchases have plummeted.

In addition, around 30 per cent of drawdown plans are now chosen without advice.

Davies says this creates a contradiction at the heart of UK pensions policy.

"While the success of AE is built on the behavioural truth that most people will not get around to saving unless the decision is made for them, we flip the model at retirement – presenting them with a maze of drawdown options, tax rules and investment risks, and expect them to make good decisions entirely on their own."

"Defaults", he argues, "are needed at retirement just as much as at enrolment, but must be flexible, offering strong nudges and safeguards for the disengaged while giving choice to those who want it."

The nastiest, hardest problem

Decumulation is what Nobel Prize winner, William Sharpe, once called the "nastiest, hardest problem in finance".

XPS senior investment consultant, Neil Maines, believes behavioural biases are central to addressing it.

One clear example, he notes, is decision paralysis – the tendency to freeze when faced with too many choices.

He describes how this has manifested in many members holding their entire decumulation pot in cash and drawing far lower amounts than they can afford.

Encouragingly, Maines says that

while decumulation design is still in its infancy, mechanisms to counter biases such as decision paralysis are emerging in the UK.

Guided retirement plans, targeted support, and 'flex and fix' income strategies all offer ways to reflect the varied needs of members.

Meanwhile, pensions dashboards and open finance could help reduce retirement complexity, helping savers to make more confident decisions.

Still, Maines cautions that progress will be iterative, and its unlikely solutions will hit the mark the first time.

"That makes it critical that providers sandbox decumulation strategies in advance – but even more importantly, that they collect a holistic set of metrics once the solution is in operation, to determine whether recalibration is needed," he explains.

With this in mind, Maines urges the industry not to let perfection become "the enemy of the good".

"Guided retirement solutions will by definition not be the panacea to the decumulation puzzle, and it's counter-productive to expect this," he adds.

Looking ahead, some believe that the proposed Pension Schemes Bill, which introduces default retirement solutions with built-in longevity protection, could mark a turning point.

Key behavioural biases in retirement

- **Inertia**
People delay or avoid decisions altogether, even when action is clearly needed.
- **Loss aversion**
The fear of losing money often outweighs the potential for gains.
- **Choice overload**
Too many options create paralysis.
- **Present bias**
Immediate rewards are valued over future security.
- **Framing effects**
The way options are presented influences decisions.

Waters welcomes the shift in policy, describing it as a "win for common sense" and a "move away from financial ideology to pensions policy designed for humans".

"Behavioural insights are now essential infrastructure in product design and oversight under consumer duty," he continues.

"AE shows how defaults can work, as people retain freedom to opt out, and the same principle can apply in decumulation.

"Develop a strong default that can work for most people, while leaving them the flexibility to do something different," adds Waters.

"Retirement isn't just a financial shift – it involves a series of emotionally charged high-stakes decisions"

The psychology of spending

Behavioural finance also helps explain how retirees spend.

"People are influenced by instinct, emotion and mental shortcuts, sometimes without realising it," suggests Pensions Policy Institute (PPI) senior policy analyst, John Adams.

He warns that these behaviours can have lasting consequences.

Loss aversion, for instance, often drives under-spending.

Research from Ignition House found 70 per cent of mid-retirees are more cautious with money than before, with a third spending less than they could.

By contrast, over-confidence and present bias can push others into over-spending, with three-quarters of savers in the UK underestimating their longevity.

Framing plays a role too, with the presentation of a choice influencing the decisions people make, even if the underlying facts are identical.

For example, annuities, often dismissed as poor value, are judged more favourably when described as "long-life insurance", according to Ignition House.

Adams says design features in pension products can help overcome some of these negative human behaviours.

"Built-in transition points to guaranteed income can counter the risks of overspending, while steady withdrawal frameworks can help those prone to underspending feel confident in using their savings," he argues.

The policy analyst also advocates for products that avoid sudden income changes or return unused funds to estates, as they can work with status quo bias while protecting long-term income.

"Alongside these, amid-retirement check-up reviewing income, spending and life expectancy assumptions, could lead to adjustments while people still have flexibility," Adams concludes.

Designing for humans

The message is clear: Behavioural finance is no longer peripheral in pensions policy; it is central. AE demonstrated the power of aligning policy with human nature in accumulation. The challenge now is to build the same behavioural scaffolding around decumulation.

That means recognising that rational optimisation is rarely how people behave, and therefore pensions must be designed for humans, not economists' models.

However, as XPS, Hymans Robertson and the PPI all emphasise, solving the "nastiest, hardest problem" of decumulation will take time and testing.

But with dashboards on the way, consumer duty expectations strengthening, and default pathways gaining traction, the industry has more tools than ever to work with.

If used well, they could make the path to better retirement outcomes not only clearer, but also more human.

Written by Callum Conway

Cutting through the noise

Abigail Williams considers how to monitor the ESG impact of investments

Summary
• Many pension schemes are increasingly focused on improving strategies used to monitor and evaluate the ESG impact of investments.
• Some observers suggest that more substantive progress in this area is only attainable when fund managers move beyond tick-boxes and link ESG impact data to actual real-world outcomes.
• There are also indications that trustees may need to push for more evidence to substantiate ESG impact claims – and remain consistently alive to the risks of corporate greenwashing.

Despite signs of a growing global backlash against ESG investments, many UK pension funds remain committed to improving the sustainability performance of their portfolios. Against this background, schemes are now increasingly focused on improving the strategies they use to monitor and evaluate the ESG impact of investments. So, what types of methods they typically use for these efforts? How might pension scheme managers' understandings, attitudes and actions be influenced by the way this data is collected and interpreted? And how might these interactions affect the risk of corporate greenwashing?

Beyond tickboxes

According to Pensions for Purpose director, community, Laasya Shekaran, pension funds generally track ESG through ratings, impact reports and stewardship results, but "the real progress comes when they move beyond tick-boxes and link data to actual outcomes".

"Before appointing a mandate, pension fund trustees should consider what the intended ESG impact of the mandate is. This will affect how to monitor the success of the ESG impact. It may be something that can be measured via quantitative data and metrics, or it may require qualitative information and case studies," she says.

Scottish Widows head of responsible investment, Eva Cairns, agrees that, in order to truly measure impact, fund managers would need to go one step further "and actually measure impact on the desired outcomes". For example, by measuring emissions avoided or reduced through products, or how many people have been provided with access to education or healthcare.

"This year we evolved our approach by integrating alignment metrics and Sustainable Development Goal (SDG)-related metrics into our workplace pensions default. We are also using SDG frameworks developed by our partners to understand the impact our companies have on the SDGs based on their operations, products and services," she says.

"We believe that positive societal and environmental impact can be increased and delivered more directly through private markets, where the direct impact of certain assets such as green infrastructure are assessed as part of the business case for the investment and ongoing monitoring," Cairns adds.

A layer deeper

According to Baillie Gifford investment specialist, Nduka Amadi, a variety of methods are used to monitor impact, typically involving a third-party platform with a quantitative or negative screening-based approach. In contrast the company's Positive Change Fund adopts what he describes as a "bottom-up, qualitative approach to impact investing".

Meanwhile, Isio head of sustainable investment, Cadi Thomas, observes that the main focus for trustees and pension fund managers, particularly within the DB pensions space, has been on improving standards of ESG integration throughout the portfolio, rather than making impact investments. For DC and LGPS clients, she notes the approach is slightly different "as schemes are not as limited by risk concerns or liquidity constraints, so impact investing is more common here".

"Typically, we see trustees evaluate their scheme's ESG impact through the asset manager's sustainability reporting and assessments, the quality of which varies from manager to manager. This highlights the need for the in-house team, or consultants, or another party, to bring various information together via a consistent framework across managers," she says.

"In order to accurately assess the impact a scheme's investments are having, we see a need to go a layer deeper and look at case studies the manager can provide where an investment has made a positive, real-world impact. We feel that this is a more hands-on approach to monitoring ESG impact, as you can then see directly the change a scheme's investments are having in practice, rather than viewing impact at a top-down level through ESG reporting," she says.

Demanding better disclosure

According to Thomas, a key challenge in the impact reporting space is how specific portfolio company information is aggregated to portfolio level.

"Given individual companies will be targeting different impact themes, the metrics KPIs for each portfolio company will differ as they will be aligned to the specific impact theme. We therefore see challenges surrounding portfolio level impact metrics reporting," she says.

Thomas also highlights increasing pressure from institutional investors on asset managers to produce more accurate, consistent and thorough ESG reporting. A key challenge here lies in ensuring sufficient coverage of ESG data on metrics that trustees care about, for example, carbon footprint for TCFD purposes.

"There are a number of ESG data providers in the market, which can lead to discrepancies in results and methodologies, leading to potentially unfair comparisons. We hope that by standardising reporting requirements, ESG impact disclosure and reporting will improve over time," she adds.

Shekaran observes that data varies a lot depending on the asset class, geography and ESG theme, although "generally there have been improvements in data".

"The best managers cut through the noise by demanding better disclosure, using independent checks and engaging directly with companies. Asset managers and asset owners should be aware of the limitations of quantitative data, both in terms of data quality, and the ability to capture the full story, and should supplement data with narratives and case studies," she says.

Avoiding greenwashing

For Cairns, another key point to note is that ESG data needs to be interpreted carefully to avoid overstating impact and what difference the investor has made. She also stresses that it is "important to be mindful of the FCA's anti-greenwashing rules, and take the same approach as with qualitative statements and claims".

"The rules state that claims need to be fair, clear, not misleading and capable of substantiation. These principles should be applied to how ESG-related data is used, just as they're applied to any other claims made about our ESG impacts," she says.

"Given trustees need to rely on the data provided and methods used by managers when making investment decisions and regulatory disclosures, they need to ensure they're alive to the risks of greenwashing"

"We need to differentiate between providing transparency on ESG metrics associated with pension investments and mapping activities to certain SDGs. Then we can understand how they link to real world outcomes," Cairns adds.

Thomas thinks trustees should also probe asset managers for case studies on how their investments have had a material environmental or social impact.

"The trustee can then take a holistic view of a scheme's investments by having a broader view of the impact the scheme is having," she says.

"In terms of greenwashing, we feel it is critical to consider reporting capabilities, but also assess other criteria when evaluating an investment manager's ESG capabilities. For each product we assess, including impact solutions, we assess a number of criteria across investment approach, risk management, stewardship, reporting and collaboration," Thomas adds.

Ultimately, Burges Salmon senior associate, Jack Gillions, observes that the methods used to monitor ESG impact data and the quality of that data "will all influence the robustness of investment decisions and the assessment of climate-related risks and opportunities". Where the data used follows standardised frameworks, like TCFD, FCA anti-greenwashing rules and Sustainability Disclosure Requirements, he believes this should help trustees to meet their own fiduciary duties and effectively understand and compare ESG impact data.

"Given trustees need to rely on the data provided and methods used by managers when making investment decisions and regulatory disclosures, they need to ensure they're alive to the risks of greenwashing," he says.

In doing so, Gillions urges trustees to ensure managers and consultants are using good quality data and methods to monitor data, for example through effective scrutiny and interrogation of ESG impact data reporting and the methods used by managers.

"Where investment managers provide only limited data on the methods used to assess impact data or promotional claims are made about sustainability characteristics with limited evidence, trustees may want to push for more evidence to substantiate those claims," he says.

"Trustees should review their contractual terms with their fund managers, understand how managers are monitored and their reporting requirements. Undertaking introductory training on ESG disclosures and the potential risks of greenwashing may also be helpful," Gillions adds.

Written by Abigail Williams, a freelance journalist

Summary
- Gold has been used as currency for millenia and has been connected to contemporary financial markets for centuries.
- Gold prices have soared in recent times, up 28 per cent in 2024 and 20 in the first part of 2025.
- Pensions traditionally hold small amounts of gold, if any, and this usually through ETFs.
- Increasingly schemes in the UK and Europe have been taking an interest in direct gold investment.
- ESG challenges exist, including sanction risk and environmental issues connected with mining, although the industry has put in place strict rules to mitigate these risks.
- Past performance does not translate into future success but gold is not an asset that will lose its shine any time soon.

Gold rush

Sandra Haurant explores the increasing pension fund interest in gold investment

Gold holds a special place in the human psyche, and as a precious commodity its history has long been intertwined with the history of money and finance. The Royal Mint's market insights manager, Stuart O'Reilly, says: "We have been using gold as currency for thousands of years, and wherever it has been found, it has always been seen as a symbol of power and prestige and purity."

The first gold coin was minted in the sixth century BCE in Lydia (modern-day Turkey), but it was in Britain in 1717 that currency was first – accidentally – pegged to gold by Sir Isaac Newton when an error in exchange rate between silver and gold put silver coins out of circulation. This de facto 'gold standard' was adopted officially, and globally, in the 19th century, and remained in place until the latter part of the 20th century.

Today, investment in gold takes different forms, including physical gold bullion held in a vault, investing through gold-backed exchange-traded commodities (ETC) or exchange-traded funds (ETFs), shares in gold-mining companies, and gold futures (a contract to trade gold at a future date for a pre-determined price). For pensions, it traditionally plays a small part, through multi-asset ETFs for example, but O'Reilly says that the Royal Mint has been having "more conversations with pension funds than we were a few years ago," with defined benefit schemes from the UK and across Europe wanting to hold gold in the Royal Mint's vaults.

One explanation, Lewis says, could be: "Defined benefit schemes are well-funded and, generally speaking, they are looking to de-risk. Many are sitting in low-risk portfolios and perhaps there is an opportunity to offer trustees the chance to look at U-shaped de-risking and whether you can afford to bring more returns into the portfolio."

But, O'Reilly says: "The main role of gold for pensions is as a diversifier, and it is particularly good at this. In periods of growth, it is just about correlated to equities, but when there is a market shock it tends to be inversely correlated."

A golden era?

Long perceived as a safe haven, holding its value in difficult times, gold has certainly had a glittering run recently, outshining many of the major indices over the past 18 months. In 2024 its value surged by around 28 per cent, and in the first half of 2025 it was already up by 20 per cent.

But, as Lewis says, it's important to look past the headline figures. "Currently *[gold]* is at the highest levels it has been in the modern era," Lewis says. "But what is interesting is that if you'd invested in gold in 1980 *[when it* *peaked]* it would have taken until pretty much now to get back that valuation – so multiple decades."

"It definitely has some attractive characteristics," says Lewis, but it is crucial to consider gold as part of the bigger picture. After all, unlike equities or bonds, gold doesn't provide any income – indeed, there are costs involved in holding it. In a lot of cases, it doesn't really do very much at all. While there is demand for gold to make jewellery and for use in technology, it spends much of its time sitting in a vault until the investor decides to sell up.

"Gold does perform well in periods of geopolitical uncertainty, but we need to consider how it would fit in and what would be taken out to make room for it in a portfolio," says Lewis. "Gold is at an all-time high and if you invested now, it could be a long time before you get back to those valuations."

Precious commodities

Gold, then, is an unusual proposition. L&G multi-asset fund manager, asset management, James Giblin, explains: "One way to view gold is as a zero-coupon, inflation-linked bond. That is why gold has historically moved inversely to real yields." And, he adds: "Historically that has meant gold has worked well when riskier assets were underperforming. Gold should also provide a long-term inflation hedge – although this is something of a self-fulfilling prophecy rather than an intrinsic property." This is because in high economic times, demand for gold increases for jewellery and so on, and when markets are in the doldrums there is an increased demand from investors who believe that it will hold its value until the next upswing.

There are, then, attractive features, but Giblin says: "For investors, the question is: At what cost can you access these benefits? And do you need them?" Because, while in theory investors are rewarded for taking on market risk (the risk premium), says Giblin: "Research shows market risk isn't the only thing that matters."

He continues: "Good hedges like gold should be expected to have lower returns over the long term. That matters for pensions. Both academic and our own research also show that inflation hedging is costly – inflation shocks are particularly painful so assets that hedge inflation shocks well typically have lower Sharpe ratios." (Sharpe ratio is a measure of risk-adjusted performance, which is calculated by comparing performance to that of a risk-free asset.) The price might well be worth paying, but Giblin argues that other assets (equities, alternatives like real estate and private or public infrastructure) can offer similar benefits over the long term.

"Gold has certainly had a glittering run recently, outshining many of the major indices over the past 18 months"

"Crucially, gold is not issued by a government," he adds. "That brings two more potential benefits. First, gold can be held outside of traditional financial infrastructure, reducing the risk of government seizure. Second, gold is not linked to any government deficit, a benefit for those worried about financial sustainability."

This, Giblin says, has become even more important recently, for central banks and governments who are worried about risks connected to the US government's use of the dollar financial system to impose sanctions, and the country's economy and fiscal deficits more generally.

Dark matter

There are other risks, too. In 2023 the National Crime Agency (NCA) published a red alert warning of the risks of sanction-breaking Russian gold entering the market illegally. The NCA said: "Traders, financial institutions and other market participants should ensure that, as part of their due diligence, they are aware of the common circumvention techniques [...] and the risks and obligations in relation to Russia sanctions and gold." In other words, it's a worry. And as Giblin puts it: "Sanction risk is not something many pension funds should be worrying about or paying for protection against." This is something the Royal Mint is acutely aware of, too, according to O'Reilly: "We had Russian bars, and we have taken those out of our funds," he says.

And there are plenty of other issues that could challenge a pension scheme's ESG strategy. "With any commodity, you are digging it out of the ground, and there will be issues around that," says O'Reilly, adding: "We are trying to be very transparent. We screen out on an ethical basis; 95 per cent of our gold is responsible gold." The Royal Mint says it has increasingly moved towards recycled gold (51 per cent of bars are made from 100 per cent recycled gold) and all its bars adhere to strict criteria put in place by the London Bullion Market Association (LBMA) – the industry body LBMA that sets standards for gold refineries covering anti-money laundering rules, terrorist financing, human rights and sustainability issues. And, says O'Reilly, when gold is held in vaults it is a very low carbon exercise, with no lighting or heating.

After an impressive run for this precious metal, it is impossible to state with certainty where prices are going next. Past performance is famously never a way to predict future success. But one thing seems sure: Gold will continue to hold a large place in the collective psyche, and perhaps a smaller place in pensions' portfolios, for a long time to come.

Written by Sandra Haurant, a freelance journalist

Career growth

Pensions Age asks: What advice would you give to people in the start, middle and later part of their career to optimise their time working within the workplace pensions sector?

Along with technical training and learning industry basics, those starting out in pensions should focus on developing their soft skills. You'll need a drive for delivering excellence, an ability to stay on top of innovation, and excellent communication skills. Use these early years to foster a curious mind. The connections you make early on can open doors later.

This will stand you in good stead as your career becomes more established, and you can focus on deepening your expertise and influence, and potentially choosing a specialism. Professional development should be continuous, so it's important to keep learning. Focus on the areas that interest you and your role as a leader and a mentor, while building trusted relationships with stakeholders.

The later part of your career is where your experience becomes your greatest asset. You'll have seen and done it all by now, so use this knowledge to shape policy, guide industry standards, and champion member outcomes. It's time to get involved in speaker opportunities and industry panels to shape the future of the industry, and pay it forward by supporting the next generation of talent. Above all, pensions is a sector that is constantly being reshaped by legislation and technology, so no matter where you are in your career, you'll always be learning.

IGG trustee director and chief people officer, Manpreet Sohal

There is one message that's relevant to people at all stages of their workplace savings career and that's to be flexible. The UK pensions market is changing at a rapid pace and that, coupled with developments in AI, means that jobs in our industry are likely to be very different in five years' time than they are now.

Another thing is to always remember is why we're doing our job – to deliver great retirements for real people. It's easy for us to focus on the big picture and the membership of pension schemes but the actions we take will directly impact the financial futures of millions of people. This becomes increasingly important as we move to the later stages of our careers and have more direct influence on how pension schemes are developed to meet members' needs.

Hymans Robertson head of DC trustee consulting, Rona Train

At the start of a career in pensions, immerse yourself fully. Take time to understand the regulatory frameworks, ask questions, follow emerging trends, and build your network.

In the middle of your career, focus on becoming a subject matter expert. Lead with curiosity and contribute to shaping policy and improving processes through innovation. This not only strengthens your own skills but also elevates the profession. Strategic thinking becomes increasingly important at this stage.

As professionals reach the later stages of their career in pensions, their value evolves from operational delivery to strategic leadership, mentorship, and driving long-term impact.

People's Partnership chief operating officer, Angela Staral

At the start of your career in pensions, immerse yourself fully into the sector's varied and complex landscape. Don't be afraid to challenge the status quo, approaching the industry with fresh eyes can help you spot areas where improvements are possible. As you progress in your career, be open to taking sideway steps into different areas of pensions. These experiences will not only broaden your knowledge and strengthen your skills, but they will also help you build a diverse network of industry contacts. In the later stage of your career, pensions may become more personally relevant, giving you valuable insight into what's missing in the current system and how member support can be improved. Used that lived experience to influence change and make things better for future generations.

Isio partner, Karen Gainsford

In the early stages, it's important to build a strong understanding of pension regulation and legislation, both current and legacy. Learn from those around you, explore different roles, start building your network, and be curious. This can help you understand to which roles you might be best suited. Ask questions, challenge yourself, and step outside your comfort zone.

Mid-career is your time to specialise, whether in member engagement, proposition development, or investment strategy. Hone your strategic thinking, develop leadership skills, and influence change through policy and process improvements. Build a strong network to drive innovation. Time management becomes critical as your responsibilities grow.

As your career matures, share your expertise generously. Mentor others, champion emerging talent, and focus on the impact you can make. Remember, we shape the retirement outcomes of millions – take pride in that. Stay open to change, stay alert to evolving member needs, and embrace digital transformation. Your insight can shape the future of workplace pensions.

Aviva head of business development, Saffron Lovell

Be open to learning throughout your career, whether about pensions, changing areas of law, or new workplace skills. Constant learning has been essential in my experience, as has clearly explaining pensions.

Being the best technical person won't help if you can't articulate your point or help others to understand it's importance, especially since most people lack an understanding of pensions.

Whatever area of workplace pensions you work in, always focus on the member. Helping them to be financially resilient and have the retirement they want is crucial and the easier we can make the complex understandable, the better.

Challenging yourself is also important. Take different opportunities. Trying and failing is always better than not trying at all.

Royal London pension expert, Clare Moffat

In the early stages of your career, seek as much experience as possible. Consider which type of role suits you best. Do you prefer working with clients, designing products, engaging with investments and markets, or focusing on technology and systems? Decide whether you want to work for a pension scheme or provider, an adviser, or an asset manager. Try exploring different options. Consider pursuing a professional qualification that could advance your career. Consistently build your network: Meet new people, have coffee, and learn about their roles. These connections will prove invaluable in the future.

In mid-career, continue to learn, gain experience, and expand your network. Given ongoing industry consolidation, assess your firm's competitive position or that of any potential employer. Are they likely to be among the winners? You may face a decision: Remain an individual contributor or subject matter expert, or take on leadership responsibilities in managing people or commercial operations.

Later in your career, you might consider part-time or non-executive roles. Could your experience add value as a trustee? Would you enjoy providing governance and oversight, or do you prefer to keep executive responsibilities? Of course, you may simply choose to retire!

State Street Investment Management head of retirement strategy, Alistair Byrne

At the beginning of your career, say yes to everything and stay curious. You can learn something from everyone. Start to get clear about who you are and how you are going to use your voice. What is your superpower? Find people who will champion you, as you then move through your career be that person for someone else. Network with authenticity – be interested and interesting!

Mid-career (definitely the messy middle for some) can feel like a juggle. Firstly, accept you aren't perfect, and your best is good enough. Speak up, challenge and build your brand in alignment with your expertise and knowledge.

Later stages of career become about legacy, sharing what you have learned, holding the ladder for others and using your experience and influence for the things that really matter. Share your missed lessons, your bumps and your breakthroughs. Working for an organisation that truly aligns to your values is key at this stage.

Scottish Widows business development director, Susan Hope

Pensions history

It's always about the money

In September 1066, William of Normandy sailed for England, and the following month defeated Harold Godwinson at the battle of Hastings. Establishing a new political and social order was costly. William needed money, and for that he turned to the centres of commerce and wealth. Soon after his coronation in December that year, he wrote to the merchants and traders of London on a scrap of vellum, the oldest document the City holds in its archives. His message? Business as usual please. I am not going to interfere.

Almost 1,000 years later, public finances remain a priority, and there are once again rumours of profound changes to pensions and savings taxation as part of the autumn budget. Will tax relief on higher rate contributions be curtailed? Will the state basic pension be changed or means tested? Will national insurance be levied on pension contributions? And what about those who rightly or wrongly believe that their house is their pension?

Constant uncertainty is not only exhausting; it makes retirement planning almost impossible for those who do not have state-backed final salary guarantees. Measured debate on public and private sector retirement policy is one thing. Abrupt changes likely to disrupt long-term plans are another.

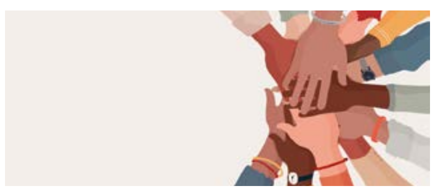
Business, and the people who work in it, are vital for the state finances. The government would be wise to learn the lesson William knew instinctively all those years ago.

www.pensionsarchivetrust.org.uk/ourcollections

Pensions Archive Trust director, Jane Marshall

The bright side

***Pensions Age* takes a closer look at some of the recent good news stories in the pensions industry...**



People's Partnership, which provides the People's Pension scheme, has joined forces with Good Things Foundation to tackle digital and financial exclusion among UK adults, by helping them build the skills and confidence they need to manage their money online. The collaboration also includes a digital journey audit and a series of webinars delivered through the National Digital Inclusion Network.

LCP and the National Housing Federation (NHF) have launched a pension helpline for smaller housing associations. This service is available to NHF members with under 2,000 homes and offers support on ad-hoc pension queries, including compliance requirements, multi-employer schemes such as the social housing pension scheme and local government pension scheme. The launch comes as schemes navigate continued complexity following the Pensions Schemes Act and evolving regulatory environment.