



8 June 2026

## TPR's Corporate Strategy consultation

The PMI's response

## PMI Consultation Response to TPR Corporate Strategy 2026–2031

### Executive summary

The Pensions Management Institute (PMI) welcomes The Pensions Regulator's draft **Corporate Strategy 2026–2031**. We support its focus on **raising standards**, strengthening **governance and trusteeship**, improving **administration**, and embedding a consistent **Value for Money** approach. To succeed in practice, however, the strategy will need clear priorities, coordinated delivery and proportionate implementation, so schemes, employers and providers can focus effort where it most improves member outcomes.

This response focuses on four issues that will determine whether the strategy delivers:

- How TPR will translate strategic ambition into measurable expectations
- How it will align trust and contract approaches, particularly in decumulation
- How it will apply Value for Money and consolidation policy with sufficient nuance to reflect differences in scheme models and member needs
- How higher standards of professional competence will be supported and enforced in practice.

Taken together, these issues point to a single test for the strategy: **whether it can raise standards through a framework that is both coherent and practical to deliver.**

### A system-wide regulatory perspective: why it matters and where we challenge

The PMI strongly supports TPR's shift towards a **system-wide view** of the pensions landscape. The market is now an interconnected ecosystem of DB, DC, hybrid, CDC, master trusts, insurers, administrators and advisers; regulation that treats these elements in isolation will fail to address systemic risks or to capture opportunities for better member outcomes.

We welcome TPR's recognition of "beyond accumulation" issues (decumulation, retirement income pathways and benefit strategy design) as core regulatory concerns. These areas are relatively new territory for TPR and will require practical, evidence-based approaches rather than high-level statements of intent.

For that system-wide approach to work, TPR should set out how the main reform programmes will be sequenced, where the first priorities in decumulation will sit, and how coordination with DWP and the FCA will operate in practice.

PMI members see at first hand the cumulative effect of overlapping reforms, so clear

milestones, aligned guidance and sufficient regulatory resource will be important if the strategy is to be deliverable as well as ambitious.

A system-wide perspective should also help TPR target intervention more effectively by concentrating supervisory effort on the risks that matter most to member outcomes and removing duplication where requirements overlap.

### **Raising standards: professional competence, trusteeship and administration**

The PMI welcomes the strategy's focus on **raising professional standards**. We support stronger oversight of professional service providers - trustee firms, administrators and advisers - and the promotion of higher standards of professional capability and stewardship. This aligns with the PMI's long-held view that the future of regulation should emphasise **regulating people and competence rather than purely process**.

That focus on standards should remain outcome-led. TPR should set clear expectations for competence and governance while allowing flexibility in how firms and trustees meet them, using guidance to support consistency rather than adding unnecessary process. In raising minimum standards, TPR should recognise that effective governance also benefits from experience beyond pensions itself - including expertise in areas such as investment, risk, communications, technology and consumer service - and that the member perspective should be reflected in how competence, decision-making and outcomes are assessed.

To make this effective, TPR should:

- **Define minimum professional expectations** for trustees, pensions executives and administrators, including baseline qualifications and CPD requirements.
- **Publish practical guidance** on how competence will be assessed and evidenced in supervisory activity, with worked examples and clear escalation routes.
- **Treat administration as strategic**, setting standards for operational resilience, data quality and service delivery that trustees must monitor and report against.
- **Clarify oversight of professional firms**, including thresholds for intensified supervision and the circumstances in which market-wide interventions will be used.

One of the strategy's most significant developments is the expectation that trustees should design, monitor and improve pension benefit strategies, particularly to support sustainable retirement income. That shift makes it even more important for TPR to define what good looks like in practice and how trustees will be expected to evidence progress.

### **Coherence with the FCA and decumulation: practical alignment, not aspiration**

The PMI strongly supports closer alignment between TPR and the FCA, particularly in decumulation where differences between trust and contract regimes are most visible to members. Members do not distinguish between regulators when

assessing the quality of their pension experience, so stronger alignment should be pursued wherever it can improve outcomes.

The ambition to achieve **consistent expectations, protections and outcomes** across arrangement types is therefore welcome, and where appropriate there should be equivalence between regimes to avoid duplication of work, unnecessary cost and inefficient use of industry and regulatory resource.

We therefore urge TPR to:

- **Prioritise harmonisation workstreams** that will have the greatest impact on members, starting with at-retirement communications, guidance pathways and retirement income design.
- **Publish a timetable and milestones** for FCA/TPR alignment so the market can plan and invest accordingly.
- **Explain how targeted support** will be delivered to trustees and employers with capability gaps, and how regulatory expectations will be phased to avoid disproportionate operational burden.

Aligning trust and contract approaches will not be quick or straightforward, but it is likely to deliver the largest gains in member outcomes and should be treated as a strategic priority.

Because decumulation remains an emerging regulatory space, early joint guidance from TPR and the FCA will be essential both to reduce divergence and to give schemes confidence about the direction of travel.

### **Market structure, consolidation and Value for Money: nuance over size**

TPR's attention to consolidation and scale is appropriate, but the PMI cautions against equating **size with quality** in all instances. Scale does not automatically mean better outcomes. TPR's own analysis comparing **Master Trusts** and **Large Single Employer Trusts** highlights that consolidation outcomes are mixed and that governance quality, service design and member needs, not scale alone, determine member benefit.

The PMI supports the continued development of a **consistent Value for Money (VFM) framework** to raise standards and, where appropriate, drive consolidation that benefits members. To strengthen this approach, TPR should:

- **Publish transparent VFM metrics and thresholds** that will be used to assess schemes and providers, and explain how these metrics will inform supervisory action.
- **Segment reporting on large DC vehicles** to distinguish between Master Trusts and Large Single Employer Trusts, and to monitor performance with appropriate nuance rather than treating scale as a proxy for value.
- **Consider barriers to entry created by scale** and how employer choice can be preserved while encouraging high-quality provision. Employers should be

supported to keep their pension offering under active review so employees retain access to good outcomes.

Transparent, comparable metrics and regular public reporting will be essential to inform market behaviour and policy choices.

### **Protect, Enhance, Innovate: priorities and implementation expectations**

The Protect, Enhance and Innovate pillars continue to provide a useful framework for organising the strategy. Their real value, however, will lie in showing how TPR intends to connect the major reform themes - from decumulation and Value for Money to professional oversight, administration and scheme governance - into a programme with clear priorities and sequencing. The strategy's credibility will depend on how these pillars are translated into delivery.

The PMI therefore welcomes TPR's plans to:

- **Set clear milestones and measurable outcomes** in the forthcoming Corporate Plan, including the metrics that will define "well-run schemes".
- **Publish regular, evidence-based reports** on governance, administration, consolidation and AI oversight so the market understands how expectations are being applied and where improvements are required.

In addition, it would be helpful for TPR to:

- **Explain sequencing and phasing** of regulatory interventions to avoid unnecessary burden and to support practical deliverability by trustees, employers and providers.
- **Clarify the role of professional bodies** such as the PMI in delivering competence frameworks, CPD and practical guidance, and set out how collaboration will be structured. The PMI is prepared to play an active role in developing the education, training and practical guidance that will be necessary to deliver these pillars.

We welcome TPR's intention to engage early with the market. To make that effective, it should distinguish clearly between early policy development, formal consultation and supervisory enforcement, so schemes and providers understand when to prepare, when to contribute and when compliance will be expected.

### **Technology and AI: supporting better delivery**

Technology and AI can support better administration, communications and service delivery, but they should be treated as enablers of higher standards rather than as objectives in their own right. Where these tools are used, trustees and professional advisers will need to understand the associated governance, data stewardship and model-risk issues well enough to provide effective oversight and challenge.

We therefore welcome plans for TPR to provide practical guidance on:

- **AI governance and explainability**, including expectations for model validation, third-party oversight and auditability.
- **Data stewardship and operational resilience**, with minimum standards for data quality, incident response and supplier oversight.

It would be helpful for TPR to provide proportionate clarity on how expectations around technology and AI will be applied in practice, particularly where schemes rely on third-party providers and administrators.

Clear regulatory expectations on AI and technology will enable PMI members to adopt innovation responsibly and to hold providers to account.

### **Implementation, monitoring and transparency: the test of delivery**

Ultimately, the strategy will be judged by whether the forthcoming Corporate Plan turns broad ambition into concrete actions, timelines and measurable outcomes. That will be the point at which the market can assess both the clarity of TPR's priorities and the practicality of delivery.

The PMI will continue to work with TPR, DWP and FCA to support these implementation steps and to ensure that professional development and sector capability keep pace with regulatory expectations.

### **Conclusion**

TPR's draft Corporate Strategy 2026–2031 sets an ambitious and necessary direction for the next phase of pensions reform. The PMI supports its focus on higher standards, a system-wide perspective, closer regulatory alignment and a more consistent approach to Value for Money and market oversight.

To deliver better member outcomes, TPR should now prioritise four things:

- Translating strategic ambition into measurable expectations
- Aligning trust and contract approaches in decumulation
- Applying Value for Money and consolidation policy with appropriate nuance
- Defining how higher standards of professional competence will be supported and enforced in practice.

In short, the strategy should pair higher expectations with proportionate, well sequenced implementation so the market can respond with confidence and focus on the changes that matter most.

Delivering this strategy will require coordinated action across regulators, government, professional bodies and industry. The PMI stands ready to work with TPR, DWP,

FCA and industry partners to refine implementation plans, develop professional standards and ensure the UK pensions system remains resilient, sustainable and focused on delivering better retirement outcomes for members.

### Consultation questions

1. *Does our vision of people having a sustainable income in retirement set the right long-term ambition for the pensions system? Could it be strengthened?*

We appreciate that the vision puts the focus on outcomes for members and on ensuring that the system as a whole works in their interest. We note that the Second Pensions Commission's Interim Report (*Pensions 2050: Evidence and Future Priorities*) highlights deficiencies in the private market framework in delivering adequacy for many middle- and lower-income earners.

We expect TPR's vision of a 'sustainable income in retirement' to evolve dynamically as the Commission works alongside regulators and the industry to develop structural policy solutions. In the interim, TPR should focus on **raising standards**, strengthening **governance and trusteeship**, improving **administration**, embedding a consistent **Value for Money** approach, and ensuring that expectations are clear and practical so the market can deliver better outcomes from current private savings.

2. *Are the trends we identify – including consolidation, scale, technology, digitalisation and artificial intelligence – the main forces that will shape the system over the next five years? What's most important? Is anything missing?*

We recognise the trends identified, as well as considerable economic and political challenges that are shaping the market and operation of pension schemes. Rather than any single of these trends being the most important, we believe that the Pensions Regulator should concentrate on how the industry is respond to these trends, the need for **clearer standards and expectations** in emerging areas and how members are supported through **clear communications** to manage the risks that fall on them.

3. *Where could The Pensions Regulator's role be more active, or targeted, to maximise saver outcomes and support a resilient and sustainable market?*

The Pensions Regulator's role could be more active and targeted in four connected areas. First, it should translate strategic ambition into **clear, measurable expectations** so schemes, trustees, employers and providers understand what good looks like in practice and how progress will be assessed.

Secondly, it should pursue stronger **alignment between trust and contract regimes**, particularly in decumulation, because members do not distinguish between regulators when assessing their pension experience and better outcomes will depend on more coherent expectations across the market.

Thirdly, it should apply **Value for Money and consolidation policy with greater nuance**, recognising that scale does not automatically mean better outcomes and that differences between Master Trusts, Large Single Employer Trusts and other scheme models need to be reflected in supervisory and policy approaches. Fourthly, it should define how **higher standards of professional competence** will be supported and enforced in practice, including through clear minimum expectations, guidance, supervision, and a focus on member outcomes. Taken together, these are the

areas where a more active and better targeted regulatory role would do most to maximise saver outcomes while supporting a resilient and sustainable market.

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