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PPI

The Evolving Pensions Administration Market: Opportunities and Risks



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The Evolving Pensions Administration Market: Opportunities and Risks

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A research report by the UK's leading independent authority on pensions and retirement policy

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Key Findings

- **Fewer pension schemes do not necessarily lead to streamlined administration.**
  Between 2024 and 2025, the number of occupational DC and hybrid schemes with at least 12 memberships fell by 15%, while DC memberships increased by 7%. Administration is increasingly concentrated across fewer arrangements, but consolidation also creates transition work, and does not necessarily reduce workload around ongoing service requirements.[1]

- **Administration extends well beyond members currently contributing.**
  In 2025, occupational DC and hybrid arrangements held 21.3 million deferred memberships, compared with 11.4 million active memberships. Deferred records require continuing maintenance and may generate further work when members transfer, retire, or access their benefits.[2]

- **Consistent market-wide evidence of administration capacity, performance, and resilience remains limited.**
  Published statistics describe schemes and memberships more consistently than operational capability. Evidence on spare capacity, emergency transfer capacity, provider profitability and margins, competitive conditions, service performance, the extent of technology transformation, and preparedness for administrator failure is fragmented or not consistently comparable. These gaps limit assessments of how well the market could absorb additional demand or respond to major disruption, but do not, in themselves, demonstrate insufficient capacity or poor performance.

- **Sustainable administration requires investment before wider benefits can be realised.**
  Systems, data, cyber security, and workforce development require strategic development, funding, and implementation capacity alongside continuing services. Where technology improvements benefit several clients, arrangements for sharing and recovering costs can also affect which investments proceed and when.

- **Schemes can face limited choice even where several administrators operate in the market.**
  Provider specialisation, commercial preferences, and switching requirements can all reduce the number of viable alternatives available to schemes, limiting the extent of effective competition. Some procurement and transition costs can be proportionately higher for smaller schemes, although membership size alone does not determine administrative complexity or the quality of service delivered.

- **Technology is improving some administration processes, but comparable evidence of its impact on service quality and member outcomes across the market remains limited.**
  The research identifies examples of completed improvements alongside programmes still being implemented or tested. Data quality, benefit rules, system integration, and working practices affect whether expected benefits are realised, while comparable evidence of sustained improvements in end-to-end service and member outcomes remains limited.

- **Greater automation could allow staff to focus on complex cases and member support, while changing the skills administration requires.**
  Stakeholder evidence suggests that automation is changing some administrative roles, although specialist knowledge remains necessary to investigate exceptions and check automated outputs. Reduced manual processing could also affect how future expertise is developed. Improvements for members with complex circumstances or additional support needs (such as those with complicated benefit histories, disabilities or limited digital access) cannot be assumed from automation alone.

- **More connected technology can improve administration while increasing dependence on shared systems and suppliers.**
  Several administrators may rely on the same critical infrastructure, creating the possibility that disruption affects otherwise separate organisations. Understanding these dependencies matters for assessing recovery arrangements and the availability of alternatives.

- **Past experience suggests some adaptability to disruption, but future capacity remains uncertain.**
  Experience during COVID-19 suggests that administrators were able to adapt aspects of service delivery, but this does not demonstrate their capacity to manage a major supplier failure or emergency transfer. Current reform, remediation, and transition programmes also require specialist expertise, stakeholder coordination, and implementation capacity alongside the delivery of everyday services.

- **Maintaining essential services during disruption requires more than contractual rights and documented plans.**
  Effective recovery or transfer depends on accurate and accessible member data, documented benefit specifications, access to calculation routines, and the information needed to operate or recreate the service, alongside specialist expertise, funding, and timely decisions.

- **The availability of alternative administrators does not establish capacity for an emergency transfer.**
  A receiving organisation must have the relevant expertise, systems, and implementation resources available while maintaining services for its existing clients. It remains unclear whether the market could accommodate several simultaneous transfers following the sudden exit of a large provider.

- **Scheme-level risk management does not establish preparedness across the administration market.**
  The evidence identifies examples of tested arrangements alongside gaps in supplier assurance and continuity planning. Shared dependencies and competing demands on recovery capacity may not be visible from individual schemes' assessments. Wider coordination and oversight could improve preparedness, but these mechanisms do not themselves guarantee continuity.

[1] TPR (2026b).
[2] TPR (2026b). These are memberships, not unique individuals.

Introduction

Pensions administration underpins the delivery of benefits across the UK pensions system. It involves the work required to maintain records, process contributions, calculate and pay benefits, and provide the information members need to understand and access their pensions. The quality of these services affects members' experience throughout saving and retirement, while errors or delays can create financial consequences for both members and schemes. For trustees and scheme managers, responsibility for the proper administration of benefits remains even where delivery is delegated to an external provider.[3]

The environment in which these services operate is changing. Pension reforms, including the development of pensions dashboards, greater scale in Defined Contribution (DC) provision, and changes to defined benefit (DB) arrangements, have implications for the work administrators undertake and the systems and resources required to deliver it. DWP's July 2026 roadmap sets out a phased programme of reform following the Pension Schemes Act 2026, with implementation extending over several years.[4] Public service pension schemes, such as those for NHS staff, teachers, and civil servants, face additional demands from implementing remedies arising from age discrimination cases, including McCloud.[5] Different schemes are affected by different cases and remedies, which can require administrators to review and, where necessary, correct affected members' pension benefits. These changes require administrators to accommodate substantial programmes of work alongside the continuing delivery of services to members.

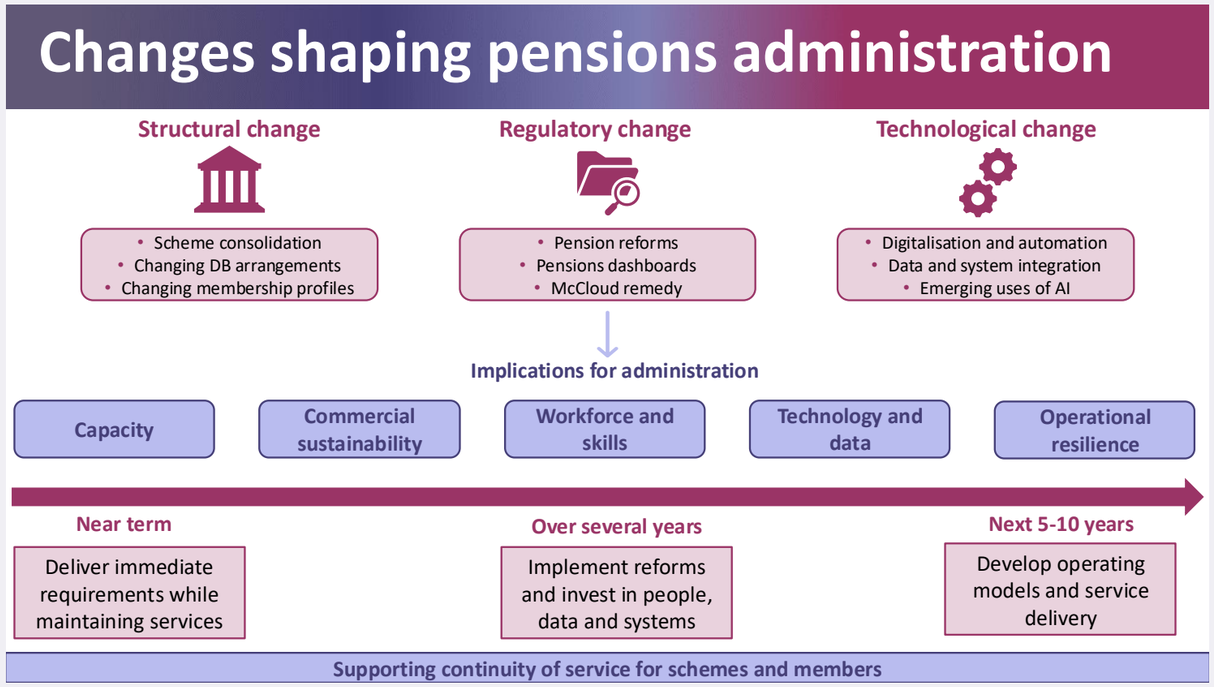
At the same time, investment in technology, automation, and data offers opportunities to improve administration and change how services are delivered. However, the extent to which these opportunities can be realised depends on the quality of existing records, stakeholder buy-in, the capabilities of systems, and the availability of skilled staff. TPR's engagement with 15 administration organisations identified investment in technology and people alongside continuing difficulties with recruitment, legacy systems, and data quality.[6] The statutory pensions dashboards connection deadline of 31 October 2026 represented a significant implementation milestone for schemes and providers in scope, subject to applicable exceptions, with continuing service requirements following connection.[7]

These developments have different implications across the administration market. DB and DC schemes, public and private sector arrangements, and in-house and outsourced services operate with different responsibilities, resources, and requirements. Understanding the future of administration therefore requires examining how structural change, commercial conditions, and regulatory expectations interact with investment in people, technology, and service delivery. Capacity to manage existing work, undertake planned transitions, and accommodate additional business may also differ from the capacity required to undertake work at short notice following disruption.

Continuity of service forms an important part of this wider analysis. TPR's administration guidance and Pensions Administration Standard Association's (PASA) business continuity standards provide expectations and benchmarks for preparedness, while DWP's December 2025 governance consultation sought views on administration standards, regulatory oversight, and the management of a disorderly administrator exit.[8] These developments raise questions about how responsibilities are distributed between administrators, trustees, providers, and other parties, and how essential services could be maintained or restored if an administrator or a critical supplier experienced disruption.

Commissioned by the PASA, this report examines how structural, regulatory, and technological changes are reshaping UK pensions administration and what these developments could mean over the next five to ten years. The research sample includes perspectives from private and public service pensions, DB and DC provision, and in-house, outsourced, and provider-based administration. Drawing on published data and evidence and stakeholder interviews, the research examines the relationship between market capacity, commercial sustainability, technology, data, and operational resilience (Figure 1). It informs the policy and industry debate by considering the opportunities, risks, and trade-offs associated with different responses to change, including the arrangements needed to support continuity of service for schemes and members. Further detail on the research design, stakeholder evidence, and analytical approach is provided in the Appendix 1, together with consideration of the coverage and limitations.

Figure 1



[3] TPR (2026)
[4] DWP (2026)
[5] GAD (2026)
[6] TPR (2025a)
[7] DWP (2025a)
[8] TPR (2026), DWP (2025b), PASA (2021)

Research questions

The report addresses the overarching research question: How are structural, regulatory, and technological changes reshaping the pensions administration market, and what actions could industry participants take in response?

The sub-research questions examine the implications for capacity, service delivery, and preparedness:

- What pressures and opportunities do structural changes create for the capacity, business models, and competitiveness of pensions administrators?
- How are evolving regulatory requirements affecting the operational resilience, compliance costs, and risk exposure of administrators?
- What role is technological change – digitalisation, automation, data infrastructure, and emerging technologies such as AI – playing as a strategic driver of operating models, service design, and market dynamics? To what extent is current market activity aligned with future expectations?
- What would occur operationally and legally if a pensions administrator experienced significant disruption or ceased to operate as expected, and what mechanisms exist to protect schemes and members in such circumstances?
- How prepared are trustees—particularly of smaller schemes—to respond to administrator disruption and secure continuity of service?
- What policy, regulatory, or industry interventions may be required to support resilience, continuity, and stability in the pensions administration market?
- What is the likely long-term scenario of technology-enabled administration models, and how will this shape the balance between standardisation, efficiency, and differentiated service delivery?

Report structure

The report moves from examining changes in the administration market, to assessing the capacity and capabilities needed to respond, to considering the implications for service delivery and continuity.

Chapter 1 A pensions administration market in transition	Defines the market and its operating models and examines the structural changes affecting demand for administration services.
Chapter 2 Capacity, commercial sustainability, and regulatory pressure	Examines how workforce capacity, commercial conditions, and regulatory requirements affect administrators' ability to deliver existing services and accommodate change.
Chapter 3 Technology, data, and the future of service delivery	Explores how investment in systems, data, and emerging technologies may change administration, and the conditions affecting improvements in efficiency and member service.
Chapter 4 Disruption, preparedness, and building a resilient administration market	Examines potential disruption scenarios, the responsibilities of different parties, and the arrangements available to maintain, transfer, or restore essential services.



CHAPTER ONE:

A PENSIONS ADMINISTRATION MARKET IN TRANSITION

Chapter highlights:

- **Pensions administration depends on relationships between schemes, providers, employers, and specialist suppliers, with responsibility for overseeing services remaining when delivery is outsourced.**
- **Consolidation and reform are changing where and when administration work is required, adding transition tasks and continuing obligations alongside existing member services.**
- **Administration demands depend on membership composition, benefit rules, and data quality. Scheme size and pension assets alone do not establish workload or service capability.**
- **Published evidence describes the populations served more consistently than service performance, limiting comparisons across schemes, sectors, and delivery models.**

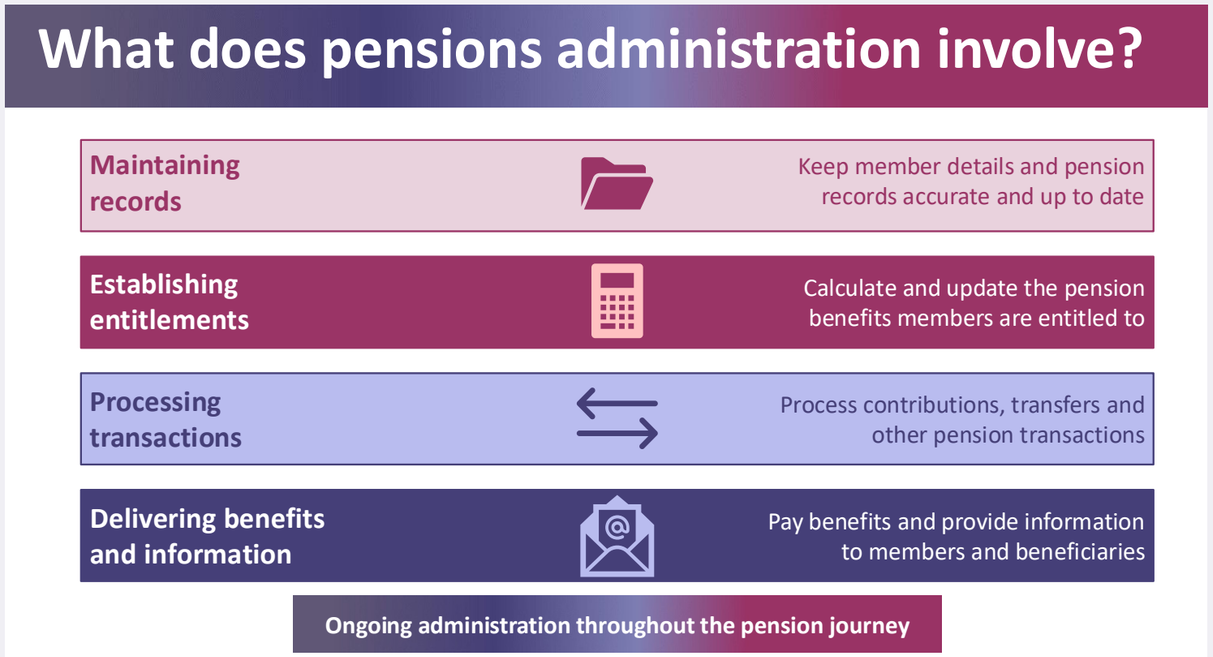
Pensions administration maintains entitlements and delivers member services across different pension arrangements

The administration market extends beyond outsourced services to in-house and provider-based delivery

Available evidence describes the concentration of administration more clearly than the total number of organisations delivering services. TPR estimated that 47 large commercial and non-commercial administrators covered around 90% of memberships in 2025. This administrator survey is not a census which makes it difficult to establish market shares. Later sections consider these administrator measures alongside scheme and membership statistics.[9]

For this report, pensions administration covers the ongoing processes through which pension records are maintained, entitlements are established and updated, transactions are processed, and benefits and information are delivered to members and beneficiaries (Figure 1.1).

Figure 1.1

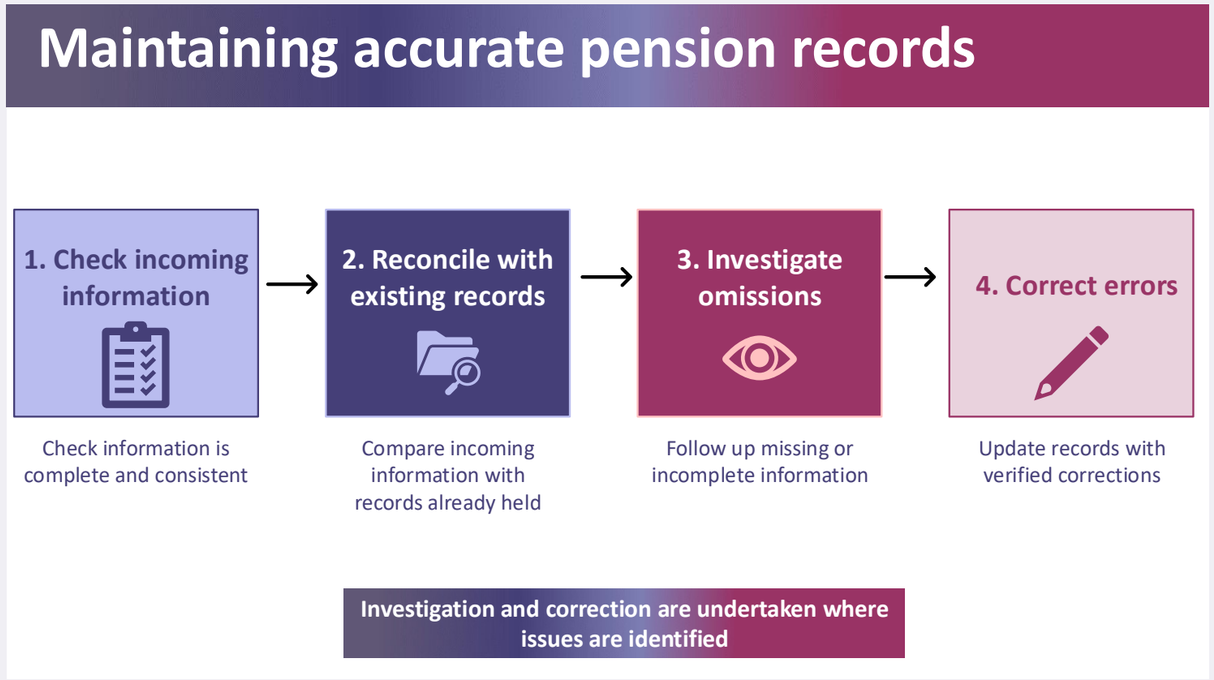


The research covers administration performed by in-house scheme and provider teams, third-party administrators, and combinations of these arrangements. It therefore extends beyond the commercial market for outsourced administration contracts.[10]

Administration maintains the information needed to establish and deliver members' benefits

Administration depends on common data, such as members' identifying details and membership status, alongside scheme-specific information needed to establish their benefits. Records must be updated as circumstances change and maintained for active, deferred, and pensioner members.[11] Workload therefore extends beyond current contributors. Maintaining usable records involves checking incoming information, reconciling it with existing records, and investigating omissions or errors (Figure 1.2).[12] Accurate records provide the foundation for subsequent calculations and transactions, but they do not by themselves indicate whether those processes are performed correctly.

Figure 1.2



DB and DC administration share core functions but require different calculations and transactions

Contribution administration connects employer payroll and member payments with the pension arrangement, requiring incoming information and payments to be reconciled and discrepancies resolved. TPR's financial transactions code covers the receipt and investment of contributions, transfers, and benefit payments, with specific requirements for prompt and accurate processing applying to certain DC schemes.[13] [14]

For individual DC arrangements, administrators need to record when contributions are due, when payments are made, and when they are allocated to the correct member account and investment. Reconciling employer payroll returns with money received is important because omissions, late payments, or mismatches can affect account values and investment timing. Resolving an error may require several organisations to reconstruct payment and investment histories, determine the appropriate correction, and amend affected records, rather than changing a single data field. The records, calculations, and transactions required depend on the benefits being administered. DB and DC administration have distinct requirements alongside shared functions spanning record maintenance, contributions, transfers, and benefit payments (Figure 1.3).

[9] TPR (2024f)
[10] More information on the differing regulatory and industry responsibilities can be found in Appendix 3.
[11] TPR (2025b)
[12] TPR (2025b)
[13] TPR (2024)
[14] MoneyHelper (n.d.a)

Figure 1.3

	Defined Benefit (DB)	Defined Contribution (DC)
Basis of benefits	Scheme rules determine benefits, commonly using pensionable earnings and service.	Contributions and investment performance, after charges, determine the value of the member's account.
Records required	Service history, pensionable earnings, and benefit entitlements, including information from earlier employment.	Contributions, investment holdings, charges, and withdrawals.
Calculations and transactions	Apply accrual rules, revaluation, pension increases, and adjustments reflecting retirement choices and circumstances.	Allocate contributions to member accounts, arrange investment, and record changes in holdings and account values.
At retirement	Calculate the pension and any lump sum payable under scheme rules and put benefits into payment.	Process the member's chosen options, which may involve retaining investments, withdrawing money, or transferring to another provider.
	Shared administration functions	
Records and contributions	Maintain accurate records, reconcile payments, and resolve discrepancies.	
Transfers	Coordinate the information, money, and authorisations needed to move benefits between arrangements.	
Retirement and death benefits	Process instructions, establish benefits payable, and make accurate, timely payments.	
Member service and controls	Provide information, document authorisations, and maintain checks throughout processing.	

Collective Defined Contribution (CDC) arrangements share some record-keeping and transaction requirements with DB and individual DC schemes, but the requirements are very specific and should not be considered as 'like DB' or 'like DC'. Their administration might involve maintaining records of target benefits and pensions in payment, processing member events, and applying benefit adjustments following actuarial valuations in accordance with the scheme rules. An error in records or the application of an adjustment could therefore have implications beyond one member, depending on the process and members affected. Figure 1.3 compares conventional DB and individual DC administration and should not be treated as a full account of CDC requirements.

Across these arrangements, effective administration depends on bringing together accurate records, member instructions, and the authorisations needed to process benefits. TPR's administration guidance emphasises accurate and timely payments to members and beneficiaries, supported by documented authorisation processes.[15]

Communications and statutory processes form part of the administration service

Administration also involves communicating with members to help them understand their entitlements, access information, and complete transfers or retirement transactions. Effective communications provide sufficient, understandable information to help members make informed choices about their benefits, rather than merely making information available. Clear explanations and appropriate authorisations are part of processing the underlying benefit, not a separate optional service.[16] Administrative records additionally support tax reporting and returns to HMRC. The statutory term "scheme administrator" has a specific meaning in pensions tax law and does not necessarily refer to the organisation performing day-to-day administration; this distinction is explained in Appendix 2.

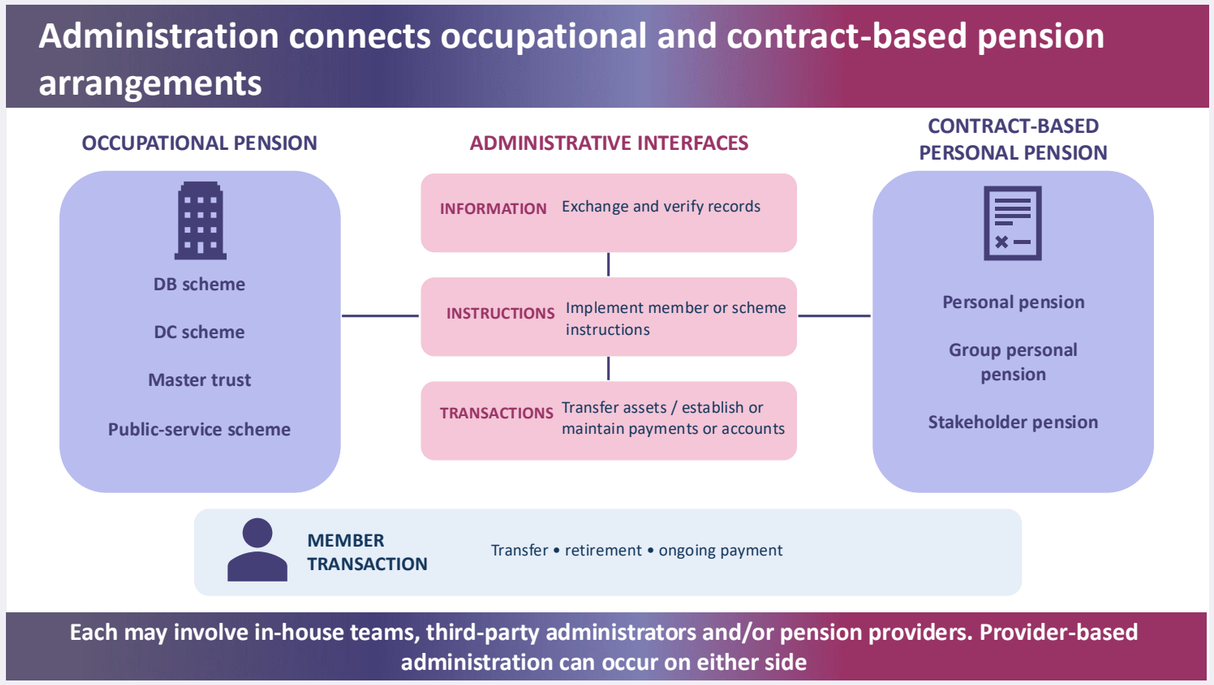
[15] TPR (2026)
[16] TPR (n.d.a)
[17] FCA (n.d.)
[18] TPR (2026)
[19] TPR (n.d.b)
[20] FCA (2026)

The research perimeter spans occupational and provider-based administration across the private and public sectors

The report covers administration associated with private-sector DB and DC provision, public-service pensions, master trusts, and DB consolidation arrangements, together with relevant administration undertaken within insurers and other pension providers. Its focus is the delivery of pension administration and the resources, relationships, processes, and interdependencies supporting it.

Benefit design, legal structure, and administration delivery are different characteristics. DB and DC describe how benefits are determined; occupational and personal pensions identify forms of provision; and in-house or outsourced administration describes how services are delivered. A DC master trust is an occupational pension scheme, whereas a Group Personal Pension is contract-based. Neither category dictates whether the administration is delivered internally, by a third party, or through a provider (Figure 1.4).

Figure 1.4



Administration supports governance and member decisions while remaining distinct from those decisions

The report distinguishes the delivery of administrative processes from decisions about investment policy, benefit design, and regulated advice. Applying agreed benefit rules or executing an authorised transaction is different from determining those rules or advising a member what to do. Although these functions may sit within one organisation, they carry different responsibilities. Providing benefit information and explaining a process therefore does not necessarily amount to a personal recommendation; applicable FCA advice requirements remain separate.[17]

Delegating administration changes who performs the work but does not remove accountability

For occupational schemes, trustees and scheme managers retain responsibility for administering benefits in accordance with the scheme rules and law, including where daily tasks are delegated. Oversight therefore remains necessary whether the administrator is internal or external.[18] In public-service schemes, the scheme manager remains accountable for overall management and administration.[19]

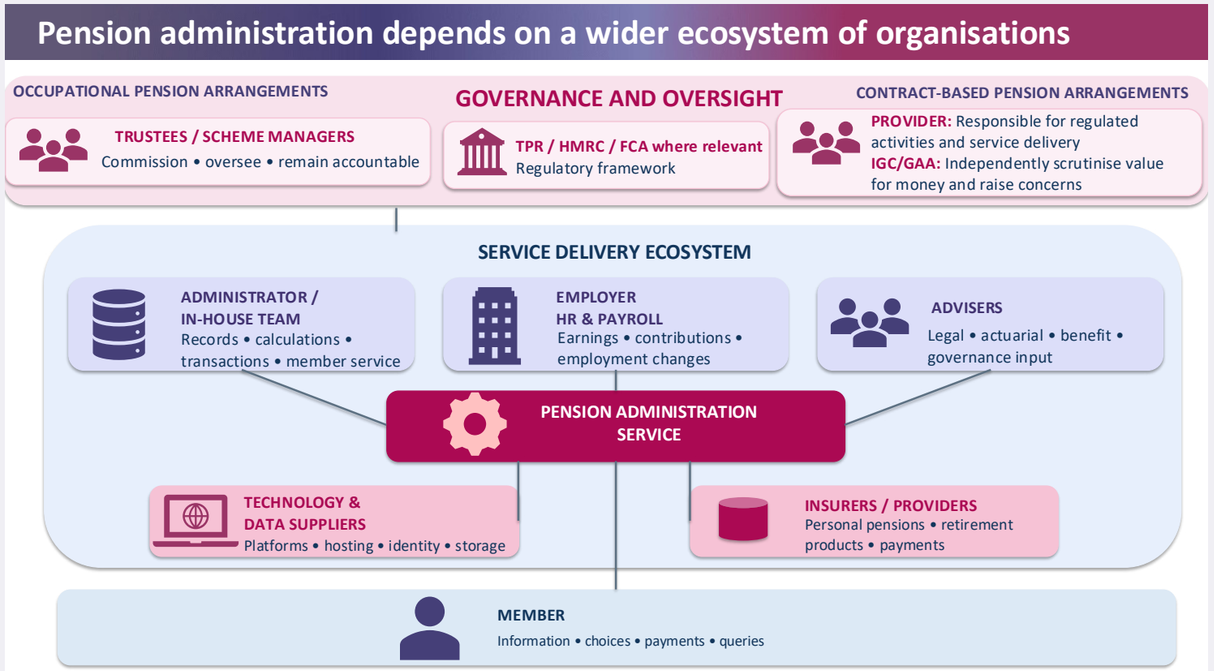
For FCA-regulated providers, the applicable obligations depend on the firm and the activity concerned. However, outsourcing does not allow a firm to delegate its regulatory responsibility for those arrangements to a third party.[20]

Administration delivery models distribute operational control and service oversight across different organisations

Pension administration is delivered through relationships between the governing body, administrator, employer, and a wider set of advisers, providers, and technology suppliers

Figure 1.5 illustrates the organisations involved in delivering and overseeing administration. For occupational schemes, trustees or scheme managers oversee the service, even where daily work is delegated. For contract-based workplace pensions, the provider is responsible for its regulated activities, with an Independent Governance Committee (IGC) or permitted Governance Advisory Arrangements (GAA) providing independent scrutiny of value for money where applicable. Administrators also depend on employers' payroll and HR information, advisers, and specialist technology suppliers.

Figure 1.5



These relationships create practical dependencies. Delayed employer data or specialist decisions can prevent an administrator from completing a case, while weak reporting can impede the governing body's oversight. The issue is therefore not only who delivers each task, but whether responsibilities, information, and referral routes work across the full service.

Delivery models differ in where staff, systems, and management authority sit

The main delivery models can be distinguished by who manages the administration service, how supporting technology is provided, and where oversight sits. These dimensions do not always align: an internally managed administration team may use externally supplied technology, while an external administrator may provide both the operational service and the systems supporting it.

Different combinations are therefore possible. Administration may be delivered by an in-house team, a third-party administrator, or a pension provider, or responsibilities may be divided between internal and external teams. Figure 1.6 illustrates these arrangements and, separately, how technology provision can sit within or outside the organisation delivering the administration service.

Figure 1.6

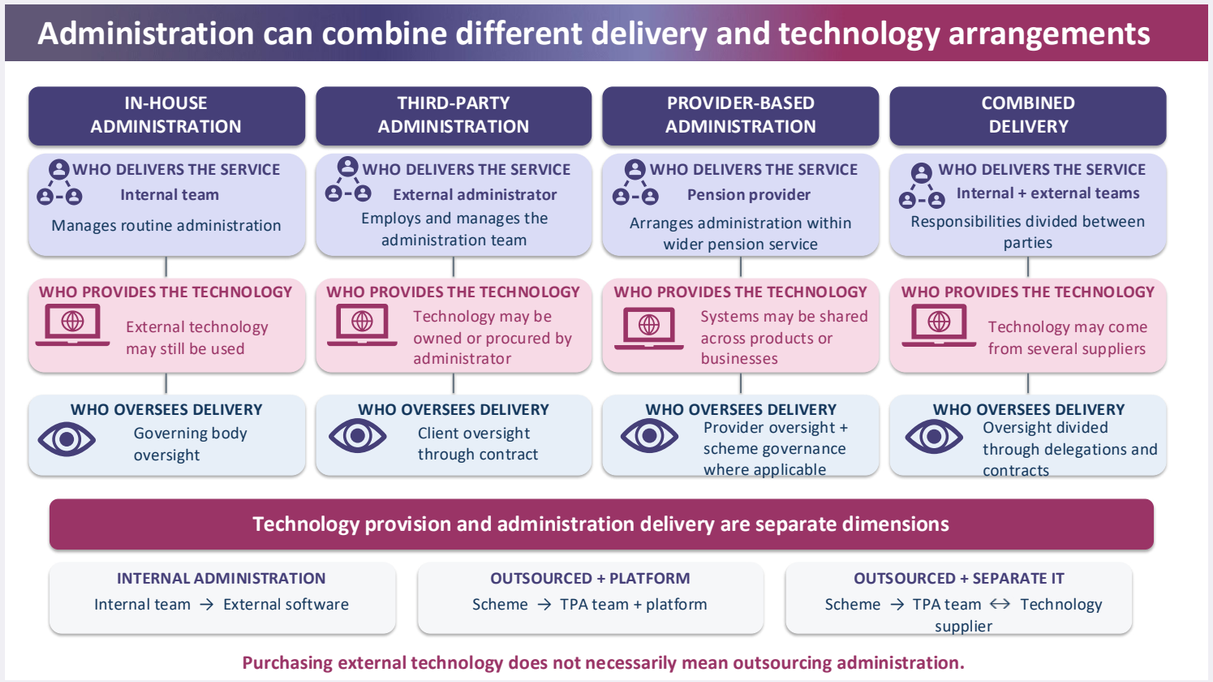


Figure 1.6 shows that administration delivery and technology provision are separate decisions. An internal team can use externally supplied software without outsourcing its administration service, while a third-party administrator may operate its own systems or rely on specialist technology providers.

This distinction is also reflected in the regulatory treatment of outsourcing. The FCA distinguishes outsourcing a process that a firm would otherwise perform itself from other purchases, including standard software, while recognising that services provided by another company within the same corporate group can constitute outsourcing.[21]

Scheme structures shape oversight without prescribing a single administration model

Scheme structures affect who commissions and oversees administration without determining how services are delivered. Master trusts, public-service schemes, and DB consolidation arrangements have different governance and operational relationships, while buy-in and buy-out can change responsibility for continuing member services. These distinctions affect decision making and the preparation needed when administration responsibilities change. Further detail is provided in the appendix.

[21] FCA (2026)

Decisions about administration investment depend on organisational and contractual authority

Investment in administration concerns the resources needed to deliver the service, including:

- Workforce capacity and training
- Technology infrastructure and capability, including software, hosting, hardware, and cyber controls
- Data
- Operational facilities and continuity arrangements
- Specialist support

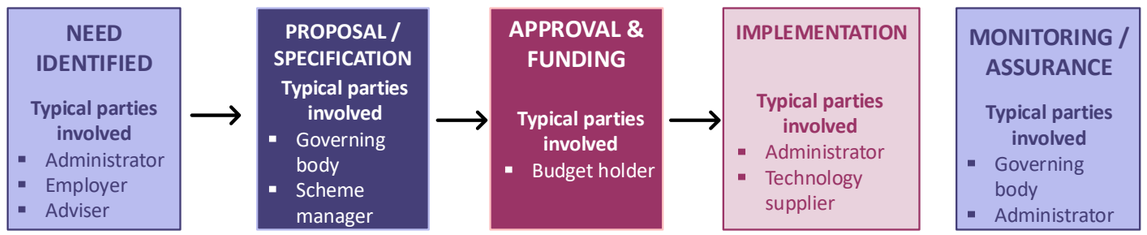
The organisation approving expenditure may differ from the governing body overseeing member outcomes. TPR's engagement with administrators identified investment in technology and people alongside budget constraints, illustrating that improvement depends partly on decisions within the organisations delivering the service.[22]

In an in-house arrangement, proposals for additional staff or system changes pass through the relevant employer, scheme, or public-body budget process. In a third-party arrangement, the administrator may determine investment in its wider platform and workforce, while scheme-specific work requires agreement with the client. Within a provider, administration expenditure may form part of a broader business budget. These examples illustrate organisational relationships that can occur across the administration market; they are not estimates of how frequently each arrangement is used.

It is therefore necessary to distinguish who identifies a service requirement, who approves the expenditure, and who implements the change (Figure 1.7).

Figure 1.7

Investment and change can involve several decision points



The organisations responsible for each stage will vary between arrangements.

[22] TPR (2025a)
[23] TPR (2024b)
[24] TPR (2026)
[25] PASA (2022)

Trustees may require stronger reporting or better data without controlling a TPA's system development programme. Conversely, an administrator may identify a necessary improvement that requires additional scheme funding or information from an employer. Contracts and service arrangements therefore matter because they define the work included, who approves changes, and how information remains accessible for oversight and transition.[23]

Members may experience a single service delivered by several organisations

The member may experience one service supported by several organisations. A portal, contact team, and calculation system may be run by different parties, and a query may require employer information or specialist advice before it can be resolved. Clear referral routes and scheme-specific reporting are therefore important, particularly where decisions fall outside delegated authority.[24] Dependence on suppliers without a direct contractual relationship also has implications for continuity, examined in Chapter 4.

Statutory oversight and industry standards perform different roles

Regulatory and governance obligations follow the pension arrangement and activity, not simply whether administration is outsourced. TPR, the FCA, HMRC and, for insurers, the PRA exercise different responsibilities; PASA provides voluntary standards and accreditation rather than statutory regulation. The roles are summarised in the appendix. For administration, the practical significance is that several forms of oversight can apply to connected organisations, while accountability for the underlying service remains with the relevant governing body or regulated provider.[25]

Structural change is redistributing administration work while adding transitional and continuing demands

Consolidation changes where administration takes place without necessarily reducing the work required

Consolidation can reduce the number of pension arrangements while increasing the membership administered within those that remain. TPR's occupational DC statistics illustrate this distinction: between 2024 and 2025, the number of DC and hybrid schemes with at least 12 memberships fell by 15%, while their total DC memberships increased by 7%. These are memberships rather than unique individuals, but the divergent trends demonstrate why fewer schemes cannot be taken as evidence of a smaller administration workload.[26]

Moving existing benefits creates work for both the transferring and receiving arrangements. Records must be checked, reconciled, and mapped to the receiving system, while member communications and the movement of assets must be coordinated. Cases already in progress require arrangements for completion or handover. PASA's master trust guidance treats these activities as a transition programme extending beyond the transfer date itself.[27] Consolidation therefore combines a redistribution of continuing administration with additional implementation work. Any subsequent reduction in duplicated processes depends on how successfully records, systems, and service arrangements are brought together.

Consolidation among administration businesses operates through a different mechanism. It brings service contracts, staff, and organisational capabilities under common ownership, without necessarily combining the pension schemes being served. Isio's announcement of its acquisition of Trafalgar House Pensions Administration in August 2026 provides an example of consolidation at this supplier level.[28] Such transactions may be followed by changes to systems, teams, or processes, but the acquisition announcement alone does not establish whether these changes have occurred or produced efficiencies.

[26] TPR (2026b)
[27] PASA (2024)
[28] Isio (2026)

Master trust growth combines recurring administration with the separate demands of receiving existing business

Master trusts grow through employer onboarding and contributions as well as transfers of existing memberships, which create a separate programme of record and asset reconciliation. TPR reported approximately 30.1 million master trust memberships in its 2025 occupational DC landscape, including substantial deferred membership requiring continuing maintenance and eventual transactions.[29]

The prospective scale requirements commonly described as the development of DC "megafunds" could reinforce this concentration. The Pension Schemes Act 2026 had received Royal Assent, but the scale regime was not yet operational. DWP's July roadmap envisages a £25 billion main scale default arrangement for relevant multi-employer DC schemes used for automatic enrolment, including master trusts and GPP. It schedules introduction of the thresholds for April 2030, with applications expected from 2029, and further regulations and regulatory material preceding implementation.[30]

These measures concern the scale of pension provision and investment arrangements. Asset values do not directly measure administration capacity: investment returns can increase assets without adding members, whereas a transfer can bring substantial numbers of records and cases requiring work. TPR's emerging evidence indicates that larger master trusts generally have lower total costs per membership, but this does not establish that every transition produces immediate savings or that asset growth creates sufficient operational capacity.[31] For administration planning, the composition and timing of growth remain important alongside its overall scale.

The drive towards larger schemes is occurring alongside a parallel debate about who governs them. DWP's December 2025 consultation on trusteeship and governance reported that 53% of DB and DC schemes had a professional trustee in 2025, compared with 39% in 2021, and sought views on more consistent standards and accreditation for professional trustees. It also consulted on extending TPR's remit in relation to pension administrators. These proposals reinforce the direction towards more professionalised oversight.[32]

Dashboards introduce continuing service obligations beyond the initial connection programme

Pensions dashboards bring together three distinct milestones: connection to the infrastructure, readiness to supply information, and public availability. The statutory connection deadline of 31 October 2026 applies to schemes and providers within scope, subject to the applicable exceptions and later-entry provisions. DWP's staged timetable sets earlier connection expectations according to arrangement type and size.[33]

Public availability follows a separate timetable. In its July 2026 progress report, the Pensions Dashboards Programme (PDP) reported that approximately 85% of in-scope pension records were connected. The Money and Pensions Service (MaPS) expects the MoneyHelper Pensions Dashboard to become publicly available during the 2027/28 financial year, with timing informed by further testing.[34]

For administrators, readiness involves more than making records technically accessible. Matching processes must identify the correct pension record while avoiding disclosure to the wrong person. Where information supports only a possible match, a route is needed to obtain further details and resolve the uncertainty. TPR's guidance consequently addresses matching criteria, monitoring, and the resources required to handle resulting enquiries.[35]

Providing pension values creates a related requirement. Where qualifying recent information is held, value data must be returned immediately. Where a calculation is needed, the permitted period is generally three working days for wholly DC benefits and ten working days for other benefits, including DB and hybrid benefits. These requirements make the availability of calculation data and the ability to process requests within specified timescales part of continuing administration.[36]

Connection also creates ongoing maintenance work. PDP's guidance covers technical changes, security assurance, incident reporting, and changes of connection provider. An arrangement moving to another administrator or technical connection provider must therefore consider its dashboard connection as part of the transition.[37]

Public use may subsequently generate enquiries about missing pensions, unfamiliar arrangements, or differences between displayed values. It may also prompt tracing or transfer requests. The extent and timing of these responses remain uncertain: PDP's testing programme is examining onward behaviour and support needs.[38] Planning for possible increases in contact is therefore different from asserting that a sustained increase has already occurred across the market.

DB endgame decisions bring forward preparation work and change the location of continuing service

DB endgame strategies affect when administration work must be completed, as well as who ultimately undertakes it. An insurance transaction can require records and benefit specifications to be resolved across the membership before the relevant benefits would otherwise have needed individual processing. PASA's data-readiness guidance identifies the need to document benefit provisions, investigate incomplete information, and bring data held outside the main administration system into a usable form.[39] This can bring forward work that might previously have been undertaken when a member retired, transferred, or died.

The resulting workload is not confined to the transaction date. Following a buy-in, the administration team may need to coordinate benefit payments, member movements, and information with the insurer while continuing to serve members. Movement towards buy-out adds further preparation and handover activity. Transfers to a DB superfund also require administrators to check that member records are complete and accurate and clearly document how each member's benefits should be calculated and paid. PASA's guidance shows that these transfers involve preparing the information needed to continue administering members' pensions, as well as transferring assets and liabilities.[40]

One stakeholder interviewee noted:

> *"When schemes are doing that work, they need a lot of support from the admin team and it's quite time critical, but the business as usual (BAU) admin work continues. […] you're asking them to do additional work on top and a lot of their schemes are asking for that at the same time."*
>
> *- Specialist pensions lawyer*

Running on places a different emphasis on continuing capability. Where a scheme expects to remain responsible for delivering benefits over an extended period, its administration planning must reflect that duration. Where it is preparing for transfer, the immediate emphasis may instead be on completing outstanding work and making records sufficiently clear for another organisation to use. These priorities can overlap: preparing transferable records can also improve ongoing service.

Policy development may affect the balance between these routes, but its effects should not be assumed in advance. DWP's July 2026 roadmap envisaged implementation of the revised surplus arrangements in April 2027, and the permanent superfund regime during 2028, with further regulations and supporting work required.[41] These prospective changes may influence scheme decisions; they do not establish how many schemes will choose each route.

Across these pathways, a reduction in administration within the transferring scheme is not equivalent to the disappearance of administration demand. Members continue to require service under the receiving arrangement. The change is in the organisation undertaking that work, the processes used, and the balance between preparation, transition, and continuing delivery.

[29] TPR (2026b)
[30] DWP (2026)
[31] TPR (2026c)
[32] DWP (2025b)
[33] DWP (2025a)
[34] PDP (2026a)
35 TPR (2026d)
36 TPR (2026e)
[37] PDP (2026b)
[38] PDP (2026a)
[39] PASA (2025a)
[40] PASA (2025b)
[41] DWP (2026)

Digital access increases the importance of understandable information without removing demand for personal support

Published member research and dashboard testing point to differing preferences for digital information and direct support.[42] Clear online access can make pension information easier to find, but it can also expose discrepancies or choices requiring explanation. As a result, self-service may alter the balance of work between routine information provision and complex enquiries rather than remove the need for human contact. Chapter 3 examines service design and member outcomes in greater detail. The available qualitative studies illustrate these considerations but do not establish uniform expectations across all members.

Public-service reforms require both retrospective correction and changes to continuing administration

The McCloud remedy creates administration work that extends beyond the introduction of revised legislation. Implementation involves identifying affected service, obtaining historical information, recalculating benefits, and explaining the consequences to members. GAD's assessment of public-service administration in 2026/27 describes a multi-year programme involving data correction, retrospective adjustments, and complex cases requiring additional intervention.[43]

The administrative mechanism differs between schemes. In the NHS Pension Scheme administered by NHSBSA in England and Wales, affected members receive information comparing legacy and reformed benefits for the remedy period so that they can make their choice. In the LGPS in England and Wales, the remedy extends underpin protection, with the pension fund establishing whether an addition is due. The former involves communicating and implementing a member choice; the latter involves applying the prescribed comparison and adjustment.[44]

The work also has both retrospective and continuing elements. Benefits already awarded may need to be reviewed, while records must support the correct treatment of affected members retiring later. In May 2026, NHSBSA announced revised forecast completion dates for issuing remediable service statements to members whose benefits were already in payment, illustrating that implementation remained in progress.[45] Issuing information can itself lead to further enquiries and subsequent processing, so completion of one programme stage does not necessarily end the associated workload.

A public-sector pensions stakeholder described an additional implementation step between regulatory change and day-to-day delivery:

> *"Whereas at the moment there is very much a feeling that government can release the new regulations and that itself forms a specification for implementation and it doesn't. There's another layer that needs to happen by administration to create that implementation plan. And that combined with short turnaround times is difficult to then achieve in some of the time scales being set."*
>
> *- Public-sector pensions stakeholder*

This illustrates why the administrative effect of reform depends not only on the legal change itself, but also on the time and operational work required to translate it into an implementable process.

Other LGPS reforms affect administration through governance and planning requirements. In England and Wales, the Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 came into force on 30 June 2026. They make pension administration strategies mandatory, require their review, and introduce a senior officer role covering the management and resourcing of pension functions.[46] Their administrative consequences include preparing and maintaining the relevant strategies and providing evidence about delivery and resource requirements.

The investment-pooling reforms bring together the management of LGPS investments. They do not automatically bring together the administration of members' pensions. Administering authorities can use the same investment pool while retaining separate member records, employer payroll arrangements, and teams responsible for calculating and paying benefits.[47] Any change to administration work therefore depends on the specific requirements introduced, such as additional reporting or changes to working arrangements, rather than simply on assets being managed together.

Shared data requirements connect the programmes, but their timing and specifications remain distinct

Several drivers require improvements to the same underlying records. Correcting identifying information can support dashboard matching, member contact, and a subsequent transfer. Documenting benefit provisions can support both ongoing calculations and transaction preparation. However, information sufficient to match an individual to a pension is not necessarily sufficient to administer every benefit after an insurance transaction. PASA's transaction guidance emphasises the wider records and documented knowledge needed by a receiving insurer.[48]

The potential benefit is therefore reuse of well-maintained information, rather than the assumption that one completed project satisfies every subsequent requirement. Programmes may need different data fields, formats, calculations, and assurance. Their sequencing also matters. For example, a scheme can complete dashboard connection and subsequently change its administrator or connection provider, requiring further work to preserve access through the dashboard infrastructure.[49]

These interactions make the timing of demand important alongside its total volume. A migration, remedy exercise, or transaction programme may require concentrated work while ordinary member service continues. GAD identifies this competition between remedy, transition, and continuing administration within public-service schemes.[50] For administrators, the strategic task is to distinguish work that can be shared across programmes from work requiring separate delivery, and to plan the transition from project activity into continuing service. The structural changes are consequently reshaping not only how much administration is needed, but when it is needed and where it must be delivered.

Administration demands vary across the market, but published evidence supports only a partial assessment of service performance

Membership composition and benefit histories shape the work behind membership totals

Membership numbers indicate records requiring maintenance but not the volume or complexity of transactions. Active, deferred, and pensioner members generate different patterns of contributions, enquiries, and benefit payments; an otherwise inactive deferred record may require substantial investigation at retirement or transfer. DB administration can depend on historical benefit rules and service records, while DC work varies with employer contributions, transfers, and account options.[51] Mixed-benefit schemes combine these requirements. Consequently, assessing workload requires evidence about member activity, benefit design, and the completeness and usability of the records, not scheme size alone.

[42] DWP (2024)
[43] GAD (2026)
[44] NHSBSA (n.d.)
[45] NHSBSA (2026)
[46] UK Government (2026)
[47] MHCLG (2026)
[48] PASA (2025a)
[49] PDP (2026a)
[50] GAD (2026)
[51] TPR (2025d)

Employer relationships affect administration demands within both sectors

The number and diversity of participating employers can affect the work required to obtain usable information. An administrator dealing with several payroll arrangements may need to accommodate different submission processes, resolve inconsistencies, and pursue missing information across multiple organisations. These demands depend on the quality and consistency of those relationships, rather than employer numbers alone.

TPR's public-service governance and administration survey illustrates this distinction. In its 2022–23 research, 78% of single-employer respondents reported that all employers always submitted required monthly data on time, compared with 14% of multi-employer respondents.[52] This is historical, self-reported evidence, rather than a current measure of the whole market. The comparison also sets a more demanding condition for arrangements with many employers: one late submission prevents an arrangement from reporting that all employers submitted on time. It does not establish that each employer in a multi-employer arrangement performs worse.

Scale does not establish data readiness or access to resources

Scale does not necessarily determine data readiness or access to resources. TPR's 2026 engagement with selected large schemes found variation between readiness to match members for dashboards and the information needed to return pension values.[53] Similarly, assets and DB funding levels do not measure the budget available for administration projects. Shared infrastructure can spread fixed costs, while dedicated teams may hold detailed scheme knowledge; neither guarantees deployable skills or funding for a particular task. The relevant questions are whether the data and people are usable when needed and whether planned change can be managed alongside everyday services. A public-sector pensions stakeholder similarly cautioned against treating organisational size as a proxy for the ability to respond to change:

> *"So it's not always related to size either. So it's not a case of the bigger ones tend to be able to put in more operational resource. Sometimes you have some small teams being able to act quite quickly, nimbly, and strategically, and some big teams not."*
>
> *- Public-sector pensions stakeholder*

Scheme, membership and provider statistics measure different parts of the administration market

Scheme counts identify arrangements; membership counts record entitlements rather than unique individuals; and employer and provider counts describe other parts of the delivery network. These measures cannot be added together or used as direct proxies for transaction volumes, staff time, or administration expenditure.

The following indicators illustrate the scale and composition of selected populations. They are not additive.

Figure 1.8

Indicator (2025)	Population measured	Significance and limitation
32.8 million memberships- 11.4 million active and 21.3 million deferred[54]	Occupational DC and hybrid provision, excluding micro schemes	Demonstrates the continuing administration population. Memberships are not unique individuals; contract-based pensions are excluded
5,060 schemes; 9.174 million memberships[55]	Private-sector occupational DB and hybrid arrangements	Identifies a substantial population requiring scheme-specific benefit administration. Scheme and membership definitions differ from DC statistics
19.784 million public-service DB memberships[56]	Public-service DB provision within TPR's 2025 DB landscape	Demonstrates the scale of public-service administration. Corrected 2025 figures restrict direct comparisons with older releases
6.9 million memberships; 22,103 employers[57]	LGPS in England and Wales	Illustrates the scale of employer information flows. Overlaps with public-service DB membership statistics and is not additive

A person may have several memberships, and each membership may generate a different amount of work. Provider counts are similarly dependent on their definition and survey coverage: DWP's Pension Provider Survey 2024/25 received 49 responses from the 766 providers invited, while TPR's 2023/24 administrator survey comprised 169 responding organisations, including in-house administrators and TPAs.[58] Neither is a census or a direct measure of the commercial outsourced-administration market. Comparable estimates would need consistent service definitions and information about revenues and costs attributable specifically to administration.

Processing measures are informative only when their definitions and coverage are clear

Published performance measures are not yet sufficiently consistent for market-wide comparisons. TPR's 2023/24 administrator survey reported mean processing times of 52 days for DB transfers and 31 days for DC transfers among respondents able to provide a figure, but these are not transaction-weighted results and cases were not consistently classified by complexity.[59] Service targets also depend on where measurement starts and stops. A high proportion of completed cases meeting a target does not show the age or difficulty of unresolved work. TPR's guidance recognises the importance of scheme-specific reporting and measures that allow governing bodies to assess the service delivered.[60] Comparing providers therefore requires evidence about the full case population and consistent definitions, rather than completed-case averages alone.

Data scores, satisfaction, and complaints reveal different aspects of service

Data-quality measures provide useful evidence, but their comparability depends on what is assessed and how results are calculated. TPR's targeted initiative found differences in how schemes identified scheme-specific data, measured errors, and reported scores, including whether results reflected failed data items or affected members.[61] These differences can prevent direct comparisons between apparently similar measures. Moreover, complete records do not necessarily contain correct information, and accurate records do not demonstrate that every subsequent calculation or transaction was processed correctly. Assessing administration quality therefore requires evidence about the records, processes, and cases examined, rather than reliance on a single data score. Member experience provides another perspective. Nest's 2025/26 annual report recorded service-channel availability above 99.9%, alongside member satisfaction of 77% in its December 2025 survey. Satisfaction meant a score of seven to ten on a ten-point scale, excluding "don't know" responses.[62] Availability and satisfaction measure different things: access to a channel does not establish whether a query was resolved accurately or promptly. These results describe one provider and its survey respondents, rather than the experience of members across the market.

Complaints provide another indication of problems experienced by members. The Pensions Ombudsman received 10,944 new pension complaints in 2025/26, compared with 9,610 in 2024/25, with increases in complaints involving benefit calculations and contributions.[63] These figures describe complaints received, not confirmed administration failures, and include matters beyond administrators' direct control. They also depend on members identifying and pursuing concerns. Complaints evidence can therefore highlight areas requiring attention but does not provide a market-wide administration failure rate.

[52] TPR (2023)
[53] TPR (2026f)
[54] TPR (2026b)
[55] TPR (2025e)
[56] TPR (2025e)
[57] MHCLG (2026b)
[58] TPR (2024d)
[59] TPR (2024d)
[60] TPR (2026)
[61] TPR (2025d)
[62] NEST Corporation (2026)
[63] The Pensions Ombudsman (2026)

Summary

Structural change is reshaping administration demands, while continuing member service remains essential

- **Consolidation and reform are changing where, when, and how administration is delivered.**
  Transfers create preparation and handover work, while dashboards and public-service reforms combine implementation programmes with continuing obligations. Fewer schemes or larger pension arrangements therefore do not, by themselves, imply less administration.
- **The effects vary with membership composition, benefit provisions, employer relationships, and data quality.**
  Delivery also depends on how responsibilities connect across those overseeing services, approving expenditure, supplying information, and operating systems. Scheme size and delivery-model labels alone cannot establish whether resources match these demands.
- **Published evidence identifies differences in demand more clearly than differences in performance.**
  Scheme and membership statistics describe the populations served, while service measures provide useful but uneven evidence about their experience. This limits market-wide comparisons without demonstrating that performance is poor. The following chapters examine the resources, commercial conditions, technology, and preparedness relevant to meeting these demands and maintaining continuity of service.



CHAPTER TWO:

CAPACITY, COMMERCIAL SUSTAINABILITY, AND REGULATORY PRESSURE

What this chapter shows

- **Capacity to maintain everyday services does not establish readiness for major projects, planned transfers, or taking on administration at short notice following disruption**
- **Sustainable delivery depends on funding both current services and future improvements, while retaining and developing specialist expertise.**
- **Schemes' practical choice depends on suitable providers being able and willing to accept their work, and on the feasibility of changing administrator.**
- **Stronger regulatory expectations can support better administration, but implementing improvements creates additional demands alongside existing member services.**

Capacity depends on the resources available for particular tasks and the time needed to deploy them

The capacity to maintain an existing administration service is different from the capacity to expand it, undertake a major project, or receive another scheme at short notice. These activities require different combinations of operational staff, specialist knowledge, systems support, and management attention. An organisation may therefore have sufficient resources for its regular workload while facing constraints on the additional work it can undertake within a particular period.

Published evidence identifies constraints on these resources without establishing a single measure of available capacity across the market. TPR's engagement with 15 administrators identified difficulties recruiting experienced staff, particularly for DB administration, alongside investment in people and technology. It also found that legacy systems and poor data could restrict automation and that some organisations had established dedicated teams to manage change. These findings indicate where capacity can be constrained or strengthened, but do not quantify how much additional work administrators collectively could accept.[64]

For this analysis, usable capacity means the people, specialist knowledge, information, and systems that can be deployed to complete particular tasks within the necessary timescale while maintaining existing services. Interviews with regulatory and legal-advisory stakeholders reinforced the distinction between routine resources and project capacity. They described risk-transfer, remediation, and reform work drawing on experienced staff who also support day-to-day administration. These accounts help explain how capacity constraints arise in practice, but do not quantify a market-wide shortfall: additional staff or processing capability will help only where the necessary expertise and information are available at the point required.

Routine service capacity depends on resolving cases as well as processing transactions

Ongoing administration requires a balance between predictable work and cases whose timing or complexity is less certain. Regular contribution processing and pension payroll can be planned around established cycles, while individual enquiries, retirement requests, and cases requiring investigation create a more variable demand. Capacity must accommodate both without allowing unresolved cases to accumulate behind apparently stable processing volumes.

TPR's administration guidance distinguishes the resources needed to provide a continuous service from those required for additional projects. It also expects governing bodies to seek evidence that systems and personnel can meet current and anticipated requirements, including peak workloads. These expectations test whether resources are sufficient for the scheme's actual commitments, rather than whether an administrator has increased its overall staffing or technology expenditure.[65]

Evidence from the stakeholder interviews illustrates how improvements to routine processes can change the use of available resources. One participant described how automating calculations and improving data had released staff time for member support. The participant also reported that better-trained staff and clearer communications had reduced the need for members to make repeated contact.

> *"We did a big data cleanse and we automated all our calculations. […] But if you can take that work away, and focus your efforts in other areas. I think that's what really drives the improved member service."*
>
> *- Administration provider*

This is an example of one organisation's approach rather than a measure of improvements across providers. Its wider significance is the connection it illustrates between accurate processing, member communication, and the use of staff time. Resolving an enquiry correctly can reduce repeated contact, while higher transaction volumes may create limited extra capacity if errors or complex cases continue to generate follow-up work. Assessing routine capacity therefore requires attention to unresolved cases and the support available for exceptions, not only the number of standard transactions completed.

Growth requires both operational readiness and a willingness to accept the work

Capacity for new business has two components: the resources needed to establish the service and those needed to maintain it afterwards. A provider's ability to administer additional members once their records and processes are established does not demonstrate that it can complete the necessary onboarding within the client's preferred timetable.

One stakeholder interviewee described recruiting and training new entrants to support expansion, while recognising that developing their capability took time. The same participant explained that poor incoming data would affect the preparation required before service began, rather than necessarily prevent the organisation from accepting the scheme. The intention was to resolve relevant problems before taking responsibility for ongoing delivery.

> *"So we run an academy. […] we take people in, put them on a 9 to 12 month training programme, don't need to know anything about pensions, might have gone and worked in a completely different job, might be a school leaver or a graduate, come in, learn for a year […] That's been the only sort of […] way we can support taking on new clients and getting the number of bodies that we need to do that work."*
>
> *- Administration provider*

This illustrates why prospective growth cannot be assessed solely through recruitment plans or the technical scalability of a platform. Additional staff must become capable of performing the required tasks, while a new client may require work that differs from existing business. In DC transitions, for example, PASA's master trust guidance identifies requirements covering contribution and investment reconciliation, employer data, process testing, and the treatment of work already under way. The resources needed to establish those arrangements are distinct from those used to process subsequent contributions.[66]

These examples show that accepting additional schemes depends on the availability of implementation staff, experienced reviewers, usable incoming data, and sufficient capacity to support ongoing administration. However, operational capacity does not necessarily translate into commercial willingness. The same stakeholder interviewee described assessing whether prospective clients fitted the organisation's service model and approach to measuring quality. An administrator may therefore have capacity to take on additional business but decide that a particular scheme is not commercially or operationally suitable. Conversely, a provider may be willing to accept a scheme but lack the immediate resources needed for implementation. Both factors can limit the options available to schemes seeking a new administrator.

> *"Data quality […] wouldn't affect necessarily whether we wanted to work with them, it would just affect how much work was needed […] We want to do some data work up front to get it in the shape it needs to be so that we can go live with a good service rather than working around the data."*
>
> *- Administration provider*

For schemes seeking a provider, the practical question is consequently whether suitable capacity is available for their requirements and timing. An organisation's intention to grow is evidence of its strategic direction, but not a commitment to accept every scheme or deliver every proposed transition date.

[64] TPR (2025a)
[65] TPR (2026)
[66] PASA (2024)

Planned transitions require resources in both the transferring and receiving organisations

A planned transition places demands on the existing service before it can release work to the receiving administrator. Scheme knowledge must be made available, information supplied, and questions resolved while ordinary administration continues. The receiving organisation, in turn, must establish that it understands the benefits and can operate the service correctly.

PASA's Code of Conduct on Administration Provider Transfers recognises these dependencies. It provides for access to knowledgeable staff, data definitions, benefit documentation, and an agreed project plan. It also states that a robust transition would very unusually be completed in less than six weeks.[67]

This means that adding more processing staff will not necessarily speed up every stage of a transition. Progress may instead depend on resolving a benefit provision, receiving a usable data extract, or completing testing. In these cases, additional processing capacity cannot remove the underlying constraint. The timetable therefore depends on the order in which these activities need to take place and on the availability of the organisations responsible for completing them.

The operational effects can also arise when an in-house administrator changes its software rather than outsourcing the service. One stakeholder interviewee described maintaining day-to-day administration during a system migration through temporary staff and overtime. The participant reported that a lower proportion of work was being completed within existing service targets during the transition, despite retaining those targets. Temporary recruitment provided support, but training requirements and uncertainty about staff retention limited the extent to which it could immediately replace experienced capacity.

> *"We backfilled with temporary administrators, fixed their contracts. But again, that then provides its own challenge. The challenge being then is the upskilling. It's the fact that if you're only giving someone a 12-month contract, they're going to start looking within six months about where their next opportunity is."*
>
> *- Large in-house administration team*

This experience illustrates a potential gap between the resources required to implement an improvement and the resources that the improvement may subsequently release. Anticipated efficiencies do not remove the need to sustain service during preparation, testing, and adoption. For members, the consequences can include longer waits even where the underlying service standard has not formally changed.

Transition pressures are also not uniform. A different stakeholder interviewee described a transfer in which the team undertaking the daily administration remained in place, helping preserve operational knowledge and continuity. The participant also reported constructive cooperation with other transferring administrators. These experiences demonstrate why a change of provider does not necessarily entail the same degree of operational disruption in every case.

> *"So the people doing all the day-to-day work haven't actually changed. […] So in terms of sort of maintaining continuity of service, it was relatively straightforward for that one."*
>
> *- Administration provider*

Remediation can occupy specialist capacity after standard cases have been completed

Remediation programmes require capacity to investigate and correct existing records or benefits, often alongside the processing of current requests. Their resource requirements depend on the decisions, information, and calculations needed to resolve the affected cases. A programme involving a large number of similar corrections may therefore create a different constraint from one involving fewer cases with incomplete histories or unusual benefit provisions.

PASA's guidance on GMP equalisation for past transfers illustrates these dependencies. Decisions about the population covered and the treatment of different cases affect the administrative work required. Some approaches may require individual file reviews, while a failure to introduce equalised calculations for new transfers can increase the number of historical cases requiring subsequent correction. The workload therefore depends partly on how retrospective work and continuing processes are coordinated.[68]

Public-service remedy work presents a related capacity issue. GAD's April 2026 commentary describes McCloud implementation as a multi-year programme in which complex cases, data problems, and manual adjustments can prolong delivery. It explicitly identifies competition between remedy work, routine administration, and transition activity for the same staff and management attention.[69]

A public-service pensions stakeholder described differences between administering authorities in their ability to secure the resources and senior-level support needed for implementation. In that account, some smaller teams responded quickly, while larger functions were not necessarily able to mobilise changes across their organisations as readily. This does not establish relative performance across public-service schemes, but it illustrates how governance arrangements and the ability to release project resources can affect delivery independently of the size of an administration team. The implication is that progress through a programme cannot be assessed through completed case numbers alone. Where standard cases are resolved first, the remaining workload may require more specialist time per case. A falling number of outstanding cases can therefore coexist with continuing pressure on the staff needed to investigate and authorise their resolution.

Remediation may also improve future capacity. Correcting records or calculations can reduce repeated investigation and make subsequent processing more reliable. However, these benefits follow the work required to achieve them. Capacity planning consequently needs to distinguish the immediate resources committed to correction from the future reduction in avoidable work, without assuming that all benefits will arise as soon as a project begins.

Emergency onboarding requires capacity that ordinary growth plans do not demonstrate

Emergency onboarding differs from a planned transition because the receiving organisation may have less time to assess the work, obtain information, and prepare the service. Several schemes could also require assistance at the same time. The relevant question is whether suitable resources can be mobilised within the period needed to protect essential services, rather than whether providers expect to expand over the following year.

DWP's December 2025 governance consultation identifies this uncertainty directly. It reports TPR's concern about a disorderly exit by a large third-party administrator and states that it is unclear whether sufficient warning or market capacity would be available to transfer multiple schemes in an orderly manner. This identifies a potential resilience gap, however it does not establish that such an exit is imminent or that the market would necessarily be unable to respond.[70]

Capacity to keep essential functions operating must also be distinguished from capacity to establish a complete replacement service.

One stakeholder interviewee described continuity planning that prioritised pension payments during disruption. Such an approach may help maintain a critical service while wider recovery takes place.

As an analytical matter, emergency capacity is also conditional on what remains available from the affected organisation. Accessible records and continuing cooperation would create different requirements from a situation in which information or knowledgeable staff could not be obtained. Any receiving provider would need to assess those circumstances alongside its existing commitments. Redirecting resources could assist the affected schemes while reducing the resources available for other projects or services.

[67] PASA (n.d.)
[68] PASA (2022b)
[69] GAD (2026)
[70] DWP (2025b)

Future capacity depends on when improvements become usable and when additional work arrives

The outlook for capacity depends on the relationship between additional demand and the timing of improvements to delivery. Recruitment, training, better data, and automation can expand what an organisation can undertake. However, the period before those improvements become effective can itself require substantial operational effort.

One stakeholder interviewee expected a new system to help accommodate additional member enquiries associated with pensions dashboards, while another described plans to redeploy staff from processes expected to become automated into more demanding areas of administration.

Scheduling also affects how much work can be delivered safely. PASA's transfer code advises receiving administrators to consider the risks of undertaking a transition alongside major activities such as pension increases, valuation extracts, or bulk investment changes. Resources that are available at one point in the year may consequently be committed at another.[71]

Across the published and interview evidence, capacity constraints arise not only from the number of staff available, but from the ability to deploy specialist knowledge, management attention, and supporting systems when they are needed. Stakeholder accounts illustrated how risk-transfer activity, remediation, and system changes can compete with routine administration for experienced personnel, while experiences of planned transitions differed according to the quality of information and continuity of operational teams. This means that an administrator's ability to maintain existing services or expand gradually does not establish its capacity to accommodate additional projects or urgent transfers. For schemes and providers, the relevant consideration is therefore whether resources can be mobilised for particular activities within the required timescale, without compromising services already being delivered. The evidence identifies these operational constraints more clearly than it establishes the total additional workload the market could absorb.

Administration funding must cover ongoing service and the investment needed to accommodate change

Routine administration fees may exclude implementation, data correction, and other project work

The commercial conditions behind administration capacity depend on what organisations are paid, or internally funded, to deliver. An agreement covering routine administration does not necessarily fund substantial data correction, implementation, or subsequent changes to the service.[72]

Consequently, a quoted annual fee provides an incomplete basis for comparing administration arrangements. Its significance depends on the activities included, the assumptions underlying the quotation, and the treatment of work outside the agreed scope. Two arrangements with different annual charges could fund different levels of member support, reporting, or data maintenance. Equally, a relatively low recurring charge could coexist with substantial separately commissioned expenditure.

Published evidence illustrates more than one approach to charging. XPS's 2026 accounts describe fixed-price contracts covering advisory and administration services, alongside non-fixed-fee services charged at contractual rates that typically vary with staff seniority.[73] PASA's transfer code similarly recognises both time-based charges and agreed fixed fees for work undertaken by an outgoing administrator, while distinguishing that work from the ongoing service.[74]

These approaches allocate uncertainty differently, a fixed fee gives the commissioning organisation greater certainty over expenditure within the agreed scope and gives the administrator an incentive to deliver that work efficiently. However, its adequacy depends on the assumptions about workload and complexity. Time-based charging can accommodate work whose requirements are initially uncertain, but leaves the commissioning organisation with less certainty about the final bill.

This becomes particularly important where investigation shows that a task is more extensive than first understood. The commercial question is then whether the additional work is covered by the original commitment, requires a revised specification, or should be commissioned separately. Disagreement over this can delay approval of expenditure even where the operational resources are available. Equally, higher charges may reflect a genuine increase in the amount of work required rather than a higher price for the same service.

Contract terms influence both investment recovery and the incentives to maintain quality

An administration contract allocates responsibilities over time as well as setting a price. Its duration, review arrangements, and provisions for additional work influence the confidence with which an organisation can commit resources. TPR's guidance identifies processes for agreeing the scope and budget of additional work, together with provisions for contract review, termination, and handover.[75]

A longer contract can give an administrator more time to recover the initial costs of setting up a service through the fees it receives. This may make investment more viable where the benefits take several years to emerge. However, a longer contract does not guarantee investment or good service. Over time, changes in scheme membership, service requirements, or operating costs may mean that the original agreement no longer reflects the work required. Provisions for reviewing fees and services can help both parties respond to these changes without renegotiating the entire contract.

A fee review changes the price of work already covered by the agreement, while an additional project charge pays for work outside it. For example, an increase in the annual administration fee might reflect higher staffing costs, whereas a substantial data correction exercise might require a separate budget. If the agreement does not make this distinction clear, the scheme may expect work to be included in its existing fee while the administrator expects an additional payment. This can create disagreement over the cost and delay work while responsibility for approving the expenditure is resolved.

The measures used to assess an administrator's performance can influence how it prioritises work and allocates resources. TPR's general code expects governing bodies to agree performance indicators when appointing a provider and regularly assess delivery against agreed service standards and objectives.[76] If those measures focus mainly on how many tasks are completed or how quickly responses are sent, they may overlook whether a member's enquiry has been fully resolved. This can make it harder to identify and justify the staff time needed to investigate complex cases, explain benefits clearly, and provide support that meets members' needs.

Fast service can also be accurate and responsive to members' needs. However, the scheme and administrator need a shared understanding of the service expected and the staff, systems, and funding required to deliver it. A contract can set standards and make the administrator accountable for meeting them, but setting targets alone does not ensure that the necessary resources are available.

[71] PASA (n.d.)
[72] TPR (2026)
[73] XPS Pensions Group plc (2026). Note that this is evidence of arrangements within one business, rather than a description of the whole administration market
[74] PASA (n.d.)
[75] TPR (2026)
[76] TPR (2024b)

Available financial evidence does not establish a market-wide administration margin

TPR found that most of the third-party administrators it consulted with were profitable. It also reported increased investment following a history of underinvestment associated with administration being perceived as a low-value, low-margin activity. These findings indicate a changing commercial position among the organisations engaged, but do not provide a representative estimate of administration profitability or the margin available for reinvestment across the market.[77]

Published company accounts can illustrate individual business trends but do not provide a consistent, like-for-like picture of the administration market, as firms differ in how they report administration activity. For example, XPS reported administration revenue of £98.7 million for the year ended 31 March 2026, up from £93.7 million the previous year. However, profitability is reported for consulting and administration together, so the figures do not show the profitability of administration as a standalone activity.[78]

Revenue growth does not by itself show how much resource is available for reinvestment. Additional income may be offset by staffing and training costs, implementation work for new clients, and expenditure on technology, data, and cyber security. TPR's administrator engagement found that system modernisation can be expensive, resource-intensive, and time-consuming, alongside continuing investment in recruitment, training, and technology. These costs may arise before any efficiency gains are realised.[79]

The evidence reviewed does not allow consistent comparisons of administration prices, costs, and profit margins across the market. It therefore cannot establish whether providers generally lack the funds to invest or whether their investment is sufficient to meet future needs. Financial performance also does not demonstrate service quality. Profit can help fund improvements, but evidence on accuracy, timeliness, and members' experiences is needed to assess whether those improvements are being delivered.

Investment must be financed before all of its benefits become available

The commercial challenge of investment includes a difference between when expenditure occurs and when benefits can be realised. A system or process improvement may require initial spending on configuration, data preparation, testing, and staff capability before it changes the cost of ongoing administration. The relevant investment is therefore broader than the purchase price of software.

One stakeholder interviewee explained that setting up automated administration involved substantial initial work and cost. Their organisation therefore focused on larger schemes, where that investment could benefit more members and was easier to justify financially.

Some investment can benefit several clients, while other spending is specific to one scheme. For example, an administrator may use the same technology platform or cyber security systems across multiple schemes, spreading the cost between them. However, understanding an individual scheme's benefit rules or correcting its records requires work that may not benefit other clients. For third-party administrators, this raises questions about how investment in shared systems is funded. While the administrator may bear the initial cost, the improvements can benefit several clients, who may be reluctant to pay additional fees for changes that are not specific to their scheme. Investment may therefore be funded through existing administration fees, additional project charges, or the administrator's own resources. Taking on more business can help spread shared costs, but does not remove the challenge of financing improvements or recovering the initial expenditure.

Investment can improve services without reducing the overall budget. Automation may allow existing staff to handle more work or spend more time supporting members. Better checks may reduce mistakes without reducing staffing costs. Looking only at immediate financial savings could therefore overlook improvements in reliability and member support. These benefits depend on how successfully the changes are introduced and used.

Spending also continues after a new system or process is introduced. Software needs maintenance, records need updating, and staff need training. Cyber security requires regular testing and updates as threats change. TPR found that administrators were balancing modernisation against limited budgets and competitive pricing. It also identified gaps in how organisations checked their own cyber security and the security of their suppliers.[80]

New regulatory requirements can prompt investment that also improves wider administration processes. For example, work undertaken to meet a new requirement may improve data used in routine service. However, funding the initial project does not necessarily cover the cost of maintaining those improvements. The financial assessment therefore needs to consider both the upfront expenditure and how ongoing costs may change once the project is complete.

In-house teams and pension providers must fund administration through their wider budgets

The distinction between third-party, in-house, and provider-based administration changes how expenditure is authorised and recovered. For a third-party administrator, client fees contribute to the recovery of operating costs and investment across its business. For an in-house service, the corresponding decisions concern the budget made available by the organisation responsible for funding it. The absence of an external administration fee does not remove the cost of systems, controls, or specialist capability. Retaining administration internally may also reflect objectives beyond a comparison of external fees with internal salaries.

One stakeholder interviewee described the governing body's preference for in-house delivery in terms of direct engagement with the service and familiarity with the membership. The associated economic question is whether the internal budget can sustain those objectives while funding the continuing development of the service.

When a pension provider delivers administration alongside other services, it may make investment decisions for the combined service rather than for administration alone. Staff, systems, and premises may support several activities, making administration costs and profits difficult to separate. A charge paid by members for a package of pension services therefore cannot be compared directly with a fee covering administration alone. Comparisons with in-house administration also need to account for costs that may sit elsewhere in the organisation's budget, such as technology, premises, management, and checks on service quality and security.

A lower reported administration cost does not necessarily mean that a service is more efficient. It may cover fewer activities or exclude costs recorded elsewhere. Meaningful comparisons therefore depend on understanding what each figure includes. Whether administration is delivered in-house, by a third party, or within a pension provider does not, by itself, show whether it is adequately funded or delivers better outcomes for members.

Growth and specialisation can reflect investment economics rather than a single market strategy

Organisations can respond differently to the same need to maintain services and fund change. TPR's engagement identified strategies ranging from streamlining existing operations to expansion into DC, CDC, consolidators, and insurance services.[81] Growth can increase the work supported by shared infrastructure, while specialisation can concentrate expenditure on a more consistent set of requirements. Consolidation offers another possible route to acquiring capability or combining investment resources. Client selection is also part of this relationship.

One stakeholder interviewee explained that the organisation's preferred client profile reflected the fit between its administration model and the implementation investment required. A decision to decline work can therefore be commercially rational even where an organisation has the technical ability to undertake it. The expected revenue, duration, and requirements of the relationship may not support the model it has chosen to operate.

As a result, selectivity does not necessarily indicate commercial weakness. It may reflect an intention to preserve a particular service proposition or avoid commitments for which investment cannot be recovered on acceptable terms. Equally, an intention to grow does not demonstrate that every new client will support sustainable delivery. The implications for competition and access depend on the alternatives available to schemes, considered later in the report.

[77] TPR (2025a)
[78] XPS Pensions Group plc (2026)
[79] TPR (2025a)
[80] TPR (2025a)
[81] TPR (2025a)

Reliable administration depends on adequate funding, but fee level alone does not establish service quality

Fees need to support the resources required to provide the service, but published evidence does not provide a consistent market-wide benchmark for what constitutes a 'high' or 'low' fee. Funding helps administrators maintain the staff and systems needed to calculate benefits accurately, make payments on time, and support members. However, service quality also depends on how those resources are used. Fee levels or provider profitability do not, on their own, demonstrate the quality of service members receive, while differences in fees may reflect efficiency, the range of services included, or whether some costs are charged separately.

TPR's general code expects governing bodies to assess service quality and value regularly and address poor performance.[82] Financial information therefore needs to be considered alongside evidence of accuracy, timeliness, and members' experiences.

Administration arrangements need to fund both the service agreed today and the investment required to maintain it over time. Clear agreements about what fees cover, which work costs extra, and how future changes will be funded can support this. The evidence reviewed explains why these arrangements matter, but does not allow consistent comparisons of prices or profit margins across the market. Their success ultimately depends on whether they support reliable services for schemes and members.

Practical choice varies across the administration market, with smaller schemes facing more uneven access to suitable providers

Practical choice is narrower than the headline number of administrators

The number of organisations operating in pensions administration does not, by itself, show how much choice is available to an individual scheme. A scheme needs an administrator that can support its type of benefits, membership, and service requirements, work with the information and records available, provide any specialist functions required, and take on the appointment on commercially acceptable terms. As previously highlighted, operational capability and willingness to accept a particular appointment are not the same. An administrator may have the technical ability to administer a scheme but decide that its size, service expectations, or implementation requirements do not fit the provider's operating model.

Similar providers also may not be close alternatives for a particular scheme. An administrator specialising in large and complex DB schemes, for example, may not compete for a relatively small appointment. Another may provide administration only as part of a wider package of actuarial or consulting services. Providers may also differ in whether they support DB, DC, or hybrid benefits, particular public service arrangements, pension payroll, member contact services, or specialist project work. Consequently, the relevant competitive set is not every organisation that undertakes pensions administration. It is the smaller group able and willing to meet the scheme's requirements at the point at which it seeks to procure the service. TPR's finding that administration businesses are pursuing different growth and service strategies is consistent with such segmentation, although it does not quantify it.[83]

As Chapter 1 established, the number of pension arrangements and the number of administration providers are different measures. Assessing competition therefore requires information about independently available providers, the schemes they are prepared to serve, and their willingness to undertake new appointments. Changes in scheme numbers alone cannot establish whether practical choice has increased or decreased. There is also no published, consistently measured market-share series for outsourced pensions administration that would allow concentration to be tracked across the whole market. Provider scale can be described in different ways, including the number of schemes administered, memberships served, administration revenue, or value of contracts, but these measures are not equivalent. A provider serving a small number of very large schemes could have a large share of memberships while accounting for a much smaller share of scheme appointments. The available evidence therefore supports the conclusion that practical choice varies between schemes, but it does not support a precise market-wide concentration ratio or a general statement about the number of bids that all schemes can expect to receive.

Practical choice can therefore narrow without an administrator leaving the market. As previously identified, administrators can refine their preferred client profile or concentrate investment on particular types of business.

> *One stakeholder interviewee described an operating model deliberately designed for larger schemes and explained that an appointment with around 500 members could make the implementation investment look disproportionately expensive. This highlights why the number of businesses operating in the market can overstate the number that a particular scheme can realistically consider.*

The same issue arises when considering service quality. A scheme may have several potential suppliers, but fewer that offer a service model suited to its needs. TPR has encouraged schemes to look beyond processing speed when assessing contracts, including accuracy and the member experience.[84] The range of credible choices depends on whether schemes can obtain alternative offers that are suitable for the service they want to provide.

Consolidation can change independent alternatives without determining whether competition becomes stronger or weaker

Consolidation among administration businesses can change the range of independently owned alternatives available to schemes, although the effect depends on the businesses involved. Where two providers previously competed for the same administration work, common ownership can remove an independent alternative; where they serve different client segments, the practical effect may be smaller. Competition therefore depends not only on the number of providers but also on how closely they compete and what credible alternatives remain. This is distinct from consolidation between pension schemes. When two administration businesses come under common ownership, the schemes they administer can remain legally separate and members' benefits need not change. The structural change is instead to the organisations providing administration and, potentially, the expertise, systems, and investment resources available within the combined business.[85]

Recent ownership changes in the administration market have taken different forms, including acquisitions that move an existing administration business into a wider group and transactions that combine administration specialists. These should not automatically be treated as equivalent reductions in practical choice: the effect depends on whether the businesses previously competed for the same appointments, whether services remain distinct after the transaction, and what alternatives remain.[86] [87] [88]

These examples demonstrate why the competitive effects of consolidation cannot be inferred solely from the direction of ownership change. Combining two administrators can remove an independently owned alternative where both previously competed for the same work. The effect may be smaller where their client groups or services were substantially different. A transaction may also increase the combined organisation's ability to support a wider range of schemes, specialist work, or investment that would have been harder for the businesses separately.

[82] TPR (2024b)
[83] TPR (2025a)
[84] TPR (2025a)
[85] CMA (2026)
[86] Gallagher (2023)
[87] Stapleton, J. (2024)
[88] Isio (2026)

For schemes, the relevant question is therefore how consolidation alters the alternatives that remain. A larger organisation may be able to spread investment over more clients or combine administration with specialist services. Conversely, where two providers that would previously have competed for the same appointment come under common ownership, trustees may have one fewer independently controlled option against which to compare price, contractual terms, and service design. Corporate scale can also make the distinction between brands and genuinely independent alternatives more important when a scheme identifies potential bidders.

There can be further effects after an acquisition if services, systems, or teams are integrated, but these should not be assumed from the transaction itself. Integration might give clients access to expertise or investment from the wider business. It can also require decisions about which processes, platforms, or service models will continue. Whether this improves accuracy, timeliness, or accessibility for members depends on implementation and subsequent service performance. Evidence on individual acquisitions therefore establishes that ownership is changing, but does not provide a market-wide measure of their effect on service quality or competition.

This is also why consolidation among administrators needs to remain distinct from consolidation of pension schemes. The 15% fall in non-micro-occupational DC and hybrid scheme numbers between 2024 and 2025 redistributed memberships across fewer pension arrangements, particularly larger ones. That may influence the type and scale of administration demanded, but it does not show that 15% of administration providers disappeared.[89] Equally, a DB scheme transferring liabilities to an insurer can ultimately change who is responsible for administering benefits, but it is a change in the pension arrangement and risk-bearing structure, not simply a decision to appoint a different administrator. Treating these developments as one form of consolidation would obscure their different effects on competition and member services.

Competition is strongest where schemes can obtain credible offers and retain a realistic ability to change provider

Competition in administration operates when schemes can obtain and compare credible alternatives, not simply when other administrators exist. Public procurement records demonstrate that administration appointments are tendered and re-tendered. For example, the Ministry of Justice ran a procurement for Judicial Pension Schemes administration with the stated objective of securing high-quality administration, good data, automation, digitisation, member self-service, value for money, and a sustainable delivery model.[90] The trustees of the General Medical Council Staff Superannuation Scheme also re-tendered administration alongside other professional services in 2025, stating that the purpose was to maintain high-quality service and value for money.[91]

These cases show that competitive procurement occurs; they do not establish how competitive the administration market is as a whole. Public procurement notices cover particular schemes and may involve requirements unlike those of private-sector appointments. Published notices also do not provide a consistent market-wide series showing how many administrators were approached, how many declined, how many bids met the requirements, or how bidder numbers vary by scheme type and size.

Where several suitable providers are prepared to bid, a scheme may be better placed to compare not only fees but the proposed service, implementation approach, reporting, member support, and contractual terms. Its bargaining power, meaning its ability to negotiate fees and service terms, is also likely to be greater where it has credible alternatives. Where only one or two providers fit the scheme's requirements, the existence of other administrators elsewhere in the market offers less negotiating leverage. This does not mean a scheme with fewer bidders will necessarily receive a poor service: a specialist provider may be particularly well suited to it. It does mean that the practical ability to compare offers and threaten to take the work elsewhere is more limited.

A scheme's ability to change administrator after appointment is also part of effective competition. Switching is not costless. PASA's Code of Conduct on Administration Provider Transfers states that deficient or absent exit terms can increase transfer risk and inflate costs for trustees, employers and the incoming administrator. It identifies problems including delays in releasing data, charges for preparing information, and disputes over exit fees, and expects administration agreements to set out the services and charging approach that will apply on exit.[92] These costs matter to competition even when a transition is operationally feasible. A scheme considering a change has to weigh the expected improvement in service or terms against procurement, adviser, and internal management costs, any contractual exit charges, and the resources required to provide usable information to the incoming provider.

Data quality can increase this barrier. TPR states that poor data can make a change of administrator slower, more costly, and more complex and, in its assessment, can undermine healthy market competition. It consequently encourages trustees to understand and negotiate exit terms from the outset, including provisions relating to data.[93] The competitive implication is that records which are difficult for another administrator to interpret or migrate can give the incumbent a stronger practical position, even when the contract can legally be terminated.

Switching costs can weaken competition where they make it difficult for schemes to act on an otherwise attractive alternative. However, remaining with an incumbent can also preserve valuable scheme knowledge and avoid unnecessary transition costs where service is effective. The relevant question is therefore whether a scheme can change provider when doing so would significantly improve its arrangements, rather than how frequently it changes administrator..

Smaller schemes can face higher proportional costs and narrower provider fit, but membership size does not determine administrative complexity

Scheme-size classifications vary between research exercises and should not be treated as universal categories. In TPR's 2023/24 survey of pension scheme administrators, schemes were grouped as micro or small (2–99 members), medium (100–999), large (1,000–19,999) and very large (20,000 or more). Under this classification, a scheme with exactly 1,000 members is large. The categories describe the populations used in that survey; they do not establish administrative complexity, service quality or bargaining power.[94]

There are reasons why a lower membership count can affect procurement economics. Some of the work needed to select and change an administrator is associated with the appointment rather than each individual member. Contract review, due diligence, preparation of scheme information, and agreement of exit arrangements do not disappear because a scheme has fewer members. PASA also notes that the extent of transfer activity depends on scheme size and complexity, rather than size alone.[95] It follows that some costs can represent a larger amount per member for a small scheme even when its total project cost is below that of a larger scheme.

> *One stakeholder interviewee described smaller schemes as potentially having fewer financial and staff resources to develop business cases and manage substantial transformation work.*

This is consistent with the broader possibility that limited internal resources can affect a scheme's ability to prepare specifications, interrogate bids, and manage a change. This is different from saying that all small schemes have weak bargaining power. A well-prepared scheme with straightforward benefits, reliable records, and requirements that fit several providers' standard models may be attractive to bidders despite its membership size.

Conversely, a larger scheme is not necessarily easier to place. Administration requirements depend on benefit design, historic rule changes, data quality, membership profile, employer arrangements, and the range of services required, as Chapter 1 established. A smaller scheme with a single, well-documented benefit structure may require less scheme-specific work than a much larger arrangement with multiple sections, historic benefit tranches, and incomplete records. Asset size is similarly not a direct measure of administrative complexity: administration establishes and

[89] TPR (2026b)
[90] Find a Tender (2025a)
[91] Find a Tender (2025b)
[92] PASA (n.d.)
[93] TPR (2025a)
[94] TPR (2024d)
[95] PASA (n.d.)

delivers individual entitlements, and the work associated with those entitlements is not determined by the market value of scheme investments.

Smaller schemes can also have alternatives to a conventional stand-alone third-party appointment, although these are not universally available. Some schemes retain administration in-house where they have the governance, staff, and systems to do so. Specialist providers can also preserve choice where a scheme's requirements do not fit the larger generalist administrators.

Practical choice matters most when it affects service fit, accountability, and continuity

The effect of competition on schemes and members depends on the suitability and accessibility of alternative providers, rather than the number of administration businesses alone. Where several credible providers are willing to bid, schemes can compare fees, service standards, implementation arrangements, and contractual terms. Where options are limited, or where data and exit costs make switching difficult, the ability to negotiate improvements may be weaker.

Market consolidation can have competing effects. Larger administration businesses may be better placed to fund systems and specialist expertise, while acquisitions can reduce the number of independently owned alternatives. The evidence does not establish a consistent market-wide trend in competition or provider choice. It indicates instead that practical choice depends on scheme requirements, provider specialisation, commercial preferences, and the feasibility of changing administrator. For members, the significance is whether governing bodies can secure and sustain a suitable service, including when existing arrangements no longer meet their needs.

Stronger regulatory expectations are making administration more visible and accountable, but implementation adds operational pressure

Trustees remain accountable for administration quality and oversight when delivery is outsourced

As established in Chapter 1, governing bodies retain responsibility for the proper administration of their schemes when delivery is delegated. The significance of stronger regulatory expectations is therefore how trustees and scheme managers obtain evidence of administration quality, understand operational risks and act where service arrangements require improvement. It is important to separate legal duties from regulatory expectations. Statutory requirements include duties to maintain specified scheme records and, for schemes within the relevant provisions of the Pensions Act 2004, to operate an effective system of governance and internal controls. TPR's General Code then sets out how it expects governing bodies to meet duties of this kind. The Code is not itself a statement of the law and failure to follow it does not usually create a direct penalty, although relevant provisions can be taken into account when assessing whether legal requirements have been met.[96] TPR's more detailed administration guidance provides practical steps for meeting these expectations rather than creating a separate set of statutory duties.[97]

Within this framework, oversight is expected to extend beyond checking whether an administrator has met contractual processing times. TPR expects governing bodies to understand the administrator's responsibilities and suitability, discuss administration routinely, monitor performance, challenge shortcomings, and have documented arrangements for escalation and improvement. For schemes required to operate an effective system of governance, its General Code similarly says that appointing an adviser or service provider does not remove the governing body's ultimate accountability.[98] The revised administration guidance also broadens performance assessment beyond speed alone, including the quality and accuracy of the service and the member experience.[99]

This links regulatory oversight directly to member service. Accurate records and calculations determine whether the right benefits are paid; effective monitoring can identify recurring errors or delays; communication arrangements affect whether members can obtain and understand information; and continuity arrangements determine whether essential transactions remain available during disruption. TPR's guidance also says that schemes using digital channels should retain suitable alternatives for members who need telephone, postal, or accessible formats. Administration quality is therefore wider than transaction speed and includes accuracy, accessibility, and reliability.[100]

Administrators nevertheless have an important role in helping governing bodies meet these expectations. Their reporting, data assessments, controls, service information, and operational expertise provide much of the evidence on which trustees or scheme managers rely. TPR expects administrators to be involved in relevant strategic and operational discussions, while governing bodies are expected to understand and scrutinise the information provided rather than rely on it without challenge.[101] This relationship makes the quality of administrator reporting and assurance part of effective scheme governance, while leaving ultimate accountability with the governing body.[102]

A specialist pensions lawyer highlighted the practical challenge of exercising oversight where key activities and technical expertise sit with third parties:

> *"The reality being that a lot of the processing, a lot of the storing happens with the administrator. So I think the struggle for trustees is they understand the governance expectation and their responsibilities, but they don't necessarily have the technical expertise to understand in detail what third parties are doing for them."*
>
> *- Specialist pensions lawyer*

Accountability and the practical ability to interrogate supplier assurance are therefore not always equivalent, particularly where specialist technical knowledge is required.

Regulatory attention is becoming more proactive, although direct regulation of administrators remains unsettled

There is evidence of a more active regulatory approach to the administration risks for which schemes are accountable. TPR's 2024–25 data quality initiative used scheme-return information to identify schemes whose data scores suggested that they might not be meeting regulatory expectations. It issued 2,411 reminder emails, 847 targeted letters, and 211 requests for further information. TPR found that its engagement was itself the trigger for some schemes to measure their data, and it stated that schemes unable to demonstrate appropriate practices could face further intervention, including improvement notices where appropriate.[103]

The initiative also identified weaknesses in the relationship between trustees and administrators. Administrators commonly determined which scheme-specific data were assessed and the testing methodology used, while some trustees did not scrutinise the resulting reports closely. TPR highlighted that trustees remain accountable for member data where day-to-day work is delegated and should obtain sufficient information to understand how assessments have been performed and what identified deficiencies mean for the scheme.[104] This points towards closer supervisory interest not only in whether a task has been outsourced, but in whether the governing body can demonstrate effective oversight of the resulting service relationship.

TPR's administrator market-oversight work points in a similar direction. It said it intended to continue direct engagement with a wider range of administrators, update its administration guidance, and develop an administration strategy, while expecting trustees to give administration greater attention within operational and strategic decision making. These measures increase regulatory visibility of the provider market without, at present, constituting a general authorisation or prudential regime for third-party administrators.[105]

[96] TPR (2024e)
[97] TPR (2026)
[98] TPR (2026)
[99] TPR (2026)
[100] TPR (2026)
[101] TPR (2025d)
[102] TPR (2025d)
[103] TPR (2025d)
[104] TPR (2025d)
[105] TPR (2025a)

Whether this develops into direct regulation remains unresolved. DWP consulted in December 2025 on options including mandatory minimum standards for administration services, registration of administrators with TPR, standards that trustees would have to ensure their providers met, and direct regulatory oversight of administrators and integrated service providers used for dashboards.[106] The consultation closed on 6 March 2026 and, as at October 2026, the GOV.UK page did not contain a published government response. These options should therefore be understood as proposals rather than current regulatory requirements. PASA accreditation and administration standards also remain voluntary industry mechanisms rather than statutory minimum standards.[107]

Data, dashboards, cyber security, and resilience expectations increasingly reinforce one another

Data illustrates how separate regulatory requirements can reinforce the same underlying administration improvements. Governing bodies are required to maintain complete and accurate records, while TPR expects schemes to monitor both common data, such as identifying information, and scheme-specific data needed to calculate and administer benefits. Its General Code expects trustees to consider the need for a data review at least annually. Good data can support accurate benefit calculations and payments, member enquiries and communications, dashboards matching, and pension-value information at the same time.[108]

Pensions dashboards have increased the immediate supervisory importance of this work, and therefore convert some longstanding administration weaknesses into a more immediate compliance and service issue. A record that is sufficient to deal with a member who contacts the scheme may not necessarily be sufficient to match that member accurately through a dashboard or return current pension information within the required timeframe. TPR's 2024–25 data initiative found widespread activity to cleanse data and progress particularly on personal data needed for matching, but preparation of pension-value data was less consistent. This is documented improvement in an input to administration and dashboard delivery; it is not evidence that dashboards have already improved member outcomes more generally.[109]

Cyber security and operational continuity create a related but distinct set of expectations

Cyber resilience is increasingly important to pensions administration because disruption can affect the systems and information needed to calculate benefits, authorise transactions, operate pension payroll, and communicate with members. TPR expects governing bodies to understand cyber risks affecting their schemes and suppliers, maintain incident-response arrangements, and obtain assurance that essential administration services can be restored. Its engagement with administrators identified investment in security controls alongside weaknesses in areas including supplier mapping and continuity testing.[110] The practical question is therefore not only whether preventive controls exist, but whether the organisation can continue or safely restore the services on which members depend.

The changing threat environment adds to this challenge. The National Cyber Security Centre (NCSC) assesses that artificial intelligence is likely to increase the effectiveness and scale of existing cyber-attack techniques.[111] This does not establish that pension administrators are experiencing a particular level of AI-enabled attacks, but it reinforces the importance of keeping security arrangements under review. For administration, the consequences of an incident depend on which systems are affected, whether records remain accurate and accessible, and whether recovery arrangements can operate without relying on the same compromised infrastructure or suppliers. Assurance based solely on security policies or the existence of backups is therefore less informative than evidence from testing the restoration of critical functions.

The concentration of member data in larger DC arrangements, including prospective megafunds, could make these arrangements more attractive targets for cyber attacks and increase the potential impact of a successful breach. Data partitioning or segregation, alongside appropriately restricted access permissions, may help limit the information exposed if one component is compromised, although the effectiveness of these measures depends on system design, implementation, and testing.

These cyber security considerations intersect with, but remain distinct from, other administration priorities. Data cleansing supports accurate calculations and dashboards matching, while cyber security concerns the protection of systems and information against threats to their availability, integrity, and confidentiality. Dashboard connection does not demonstrate that an administrator can recover from a cyber incident, just as a successful cyber assessment does not establish the accuracy of benefit records. The shared operational implication is that schemes and administrators need sufficient resources and oversight to maintain these capabilities together, without treating progress in one area as evidence that the others have been addressed.[112]

Stronger expectations can support investment, but cumulative change can also compete with day-to-day service

A stronger regulatory focus can make the case for administration investment more visible to trustee boards. TPR's administrator review found that administration had historically been associated with underinvestment, but that the administrators in its engagement were increasing investment in areas including technology, data, and operational capability. TPR called on trustees to recognise the strategic value of administration and to support investment needed for future demands.[113] This does not demonstrate that regulation caused the investment, but it shows how stronger expectations around data, cyber resilience, and service oversight can make weaknesses harder to treat as an operational matter for the administrator alone.

The countervailing pressure is that regulatory and legislative programmes themselves require administration work. TPR's engagement with administrators identified pensions dashboards and other legal and regulatory changes as creating additional demand, including system changes and work that may require additional capabilities. It observed some administrators responding through dedicated change teams, extra funding, and more structured change-management arrangements.[114] TPR's administration guidance consequently tells governing bodies to establish whether ad-hoc work, including legislative change or data cleansing, requires additional resources and budget rather than assuming it can be absorbed within the existing service.[115]

This creates a practical sequencing issue. Work to cleanse records, change calculations, establish new reporting, connect to dashboards, or strengthen controls may improve the foundations of future service, but it has to be delivered alongside retirements, transfers, bereavements, contribution processing, pension payroll, and member enquiries. The statutory pensions dashboards connection deadline of 31 October 2026 represented a major implementation milestone for schemes and providers in scope. Other reforms should not be treated as having the same status simply because they have been announced. For example, the Pension Schemes Act 2026 provides the legislative framework for the forthcoming Value for Money regime, but TPR's August 2026 technical material still describes the framework in terms of regulations, FCA rules, and TPR codes that are to support its operation.[116]

TPR has identified additional demand and the need to plan resources so that regulatory change does not have unintended consequences for member service, but the evidence reviewed does not establish that regulatory change has caused a market-wide decline in routine administration performance. The risk is nevertheless relevant to timeliness and accessibility: where project activity and ordinary administration depend on the same systems, data, and operational resources, weak prioritisation could create delays or reduce the resources available for enquiries. Conversely, successful remediation can reduce future manual work and errors. The balance is therefore likely to differ between schemes and administrators rather than producing a uniform effect.

Regulatory pressure may alter commercial decisions and can be harder to absorb from smaller starting points

Higher expectations around data, cyber resilience, systems, assurance, and change management can increase the capabilities needed to administer schemes effectively. TPR found that system modernisation can be expensive, resource-intensive, and time-consuming, while regulatory changes can require further system updates and additional work.[117] In commercial terms, this means that some of the costs discussed earlier in this chapter are not discretionary improvements: providers and schemes may need continuing expenditure to demonstrate adequate controls and accommodate new legal requirements.[118]

[106] DWP (2025b)
[107] DWP (2025b)
[108] TPR (2025d)
[109] TPR (2025d)
[110] TPR (2024d)
[111] NCSC (2025)
[112] TPR (2026)
[113] TPR (2025a)
[114] TPR (2025a)
[115] TPR (2026)
[116] TPR (2026g)
[117] TPR (2025a)
[118] TPR (2025a)

This could favour operating models able to spread investment in systems, assurance, and specialist compliance activity over larger numbers of schemes or members, and it could influence the clients or scheme types that providers are willing to support. However, this is principally a mechanism rather than an established market outcome. Pricing, legacy technology, ownership strategy, scheme complexity, and wider investment requirements interact with regulatory costs. Regulation should therefore be treated as one potential influence on commercial decisions, rather than evidence that increased regulatory requirements have themselves reduced competition.

Where a scheme has limited in-house governance resources, obtaining assurance on data methodology, cyber controls, dashboard readiness, or business continuity may require greater reliance on the administrator or external advice. The relevant risk is therefore not that smaller schemes necessarily have poorer administration, but that schemes starting with fewer internal resources may have less scope to absorb additional governance and implementation activity without external support or additional expenditure. DWP itself has recognised that the challenges facing trustees vary significantly by scheme size and type and that different market segments may require different responses.[119]

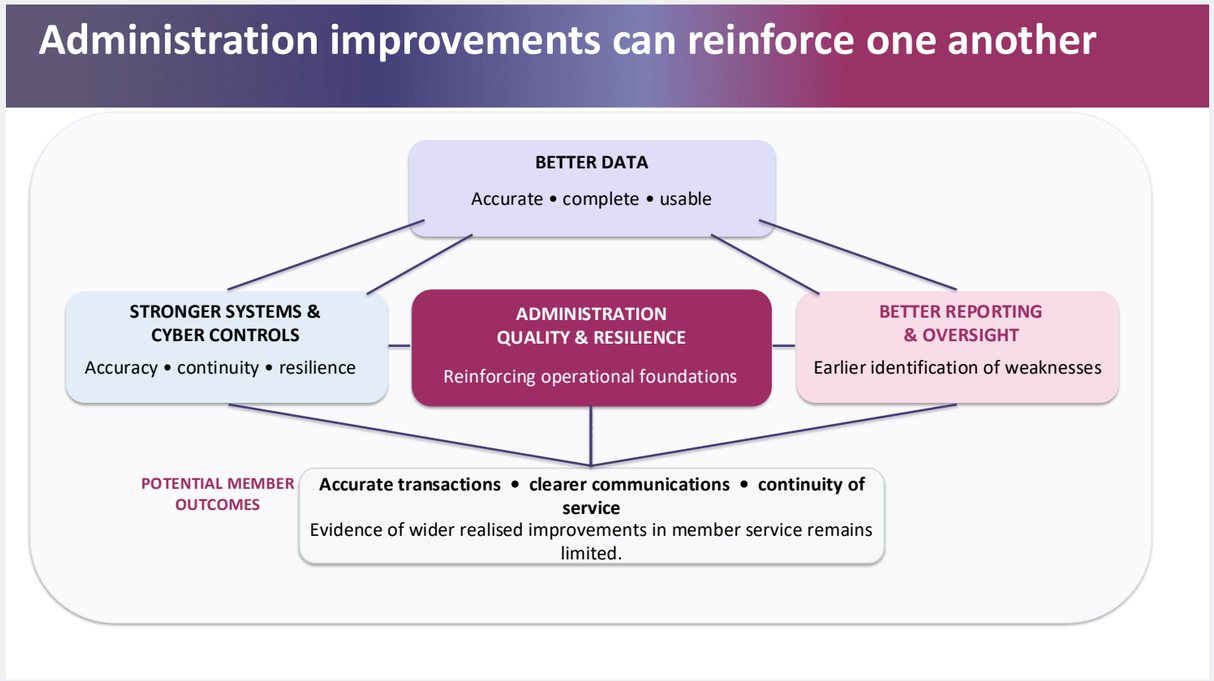
The significance of stronger regulatory expectations ultimately depends on how they affect the services members receive. Improvements in data, systems, and oversight can support more accurate benefits, clearer accountability, and greater continuity, but implementing them creates immediate demands on budgets, staff, and management attention. This is particularly relevant where change programmes depend on the same specialist resources required for routine administration. The evidence therefore points to a trade-off between the investment needed to strengthen future services and the capacity required to maintain current standards during implementation. Regulatory requirements can improve the conditions for effective administration, but their contribution to member outcomes depends on how successfully these demands are managed in practice.

Stronger oversight improves the conditions for good service, but does not guarantee outcomes

Regulatory expectations increasingly treat administration as a core element of pension scheme governance rather than a delegated back-office service. Trustees and scheme managers retain accountability for administration when delivery is outsourced, and TPR increasingly expects them to understand the service, scrutinise evidence, challenge performance, and plan for data, cyber, and continuity risks. TPR's administrator engagement and data-quality initiatives also indicate a more proactive supervisory interest in administration and in the provider relationships on which schemes depend. This has not, however, created a general system of direct TPR regulation of occupational pension administrators; DWP proposals to extend oversight remain under development.

Many of these requirements are mutually reinforcing rather than operating independently. Improvements in data, systems, and oversight can support one another, while weaknesses in one area can constrain performance elsewhere (Figure 2.1).

Figure 2.1



There is evidence that regulatory attention has prompted greater measurement and cleansing of data and increased the visibility of administration within scheme governance. However, evidence that these changes have translated into wider improvements in member service remains more limited. Stronger oversight can therefore improve the conditions in which administration is delivered without, on its own, demonstrating better member outcomes.

The main trade-off is one of implementation. Requirements intended to improve long-term accuracy, accessibility, and resilience can require systems, data, assurance, and change activity in the short term. Where these programmes draw on the same resources as day-to-day administration, schemes and administrators need to manage the risk that implementation competes with timely member transactions and support. Regulatory requirements can also raise the capability and investment needed to operate effectively, but the available evidence does not establish regulation as a standalone cause of provider consolidation or poorer access for smaller schemes. The overall effect therefore depends not only on the standard being required, but on how effectively schemes and administrators plan, resource, and oversee its implementation.

[119] DWP (2025b)

Reliable administration depends on maintaining workforce capability as demands change

Career development can support retention and prepare future managers

The recruitment constraints discussed previously make retaining and developing existing staff particularly relevant. TPR identifies flexible working, apprenticeships, and training academies among administrators' responses to staffing difficulties. These approaches address different needs: attracting entrants, developing expertise, and making continued employment more attractive.[120]

Interview evidence illustrates how progression can connect staff development with longer-term continuity. One stakeholder interviewee described a framework linking demonstrated competence to higher grades and pay, with routes into technical and management roles. This allowed development without requiring staff to wait for a vacancy and helped prepare potential successors to team managers. The interviewee also noted that employees sometimes progressed into other functions within the organisation. Career opportunities may therefore retain expertise within the wider organisation while still creating replacement needs in administration.

For commercial and operational resilience, the implication is that recruitment and retention need to be considered together. Repeated departures can require further recruitment, induction, and supervision, reducing the benefit of earlier training expenditure. However, the evidence reviewed does not quantify these costs or establish which retention approaches are most effective across the market.

Sharing specialist knowledge reduces dependence on individual employees

Workforce resilience also depends on whether colleagues can undertake critical tasks when an experienced employee is unavailable. TPR describes "key person risk" as critical knowledge being concentrated in one or two people and identifies knowledge sharing and succession planning as responses.[121]

One stakeholder interviewee described communication becoming a stronger recruitment priority as automated calculations changed the balance of work, while retaining a smaller group of calculation specialists. This illustrates a possible division of expertise, rather than a model suitable for every administrator.

This creates a potential service constraint even where overall staffing remains stable. If only one employee understands how an unusual benefit provision has been applied, their absence could delay a calculation or require further investigation before another employee can complete it confidently. The concern is therefore the loss of usable expertise, rather than simply an unfilled post.

PASA's staff-development standard connects individual training plans with assessed competence and succession for key roles. For small in-house departments, it explicitly recognises that managing dependence on particular individuals may involve assistance from other business areas or advisers.[122] Access to a wider workforce is consequently useful only where those providing cover have the relevant knowledge and can apply it to the work required.

Leadership and supervision determine how changing skills support member service

The implementation pressures identified earlier also require managers who can judge whether staff are ready to undertake changed responsibilities. PASA's governance guidance links change management with testing, validation, and approval, while its staff-development standard emphasises identifying gaps between employees' existing competence and the requirements of their roles.[123] The workforce implication is that allocating employees to a new process does not establish that they can deliver it independently. Supervision and opportunities to practise are part of implementation capacity.

Such arrangements depend on effective connections between member-facing staff and specialists. An employee may be able to explain a routine retirement process clearly but still need technical support to resolve an exceptional calculation. Workforce resilience therefore concerns the availability of expertise throughout a case, including investigation, checking, and explanation.

As automation changes the balance between routine processing and specialist work, maintaining technical expertise and opportunities for staff to develop it will remain important. Chapter 3 considers these implications in more detail.

[120] TPR (2025a)
[121] TPR (2025a)
[122] PASA (2024c)
[123] PASA (2021)

Summary

Meeting changing demand depends on funding and deploying the right capabilities while maintaining member service

- **Administration demand places different requirements on the market according to the complexity, timing, and urgency of the work.**
  Resources sufficient for everyday service may not accommodate a major transition or taking on administration at short notice following disruption. Investment can expand future capability, but implementation itself requires funding, experienced staff, and management attention before its benefits become available. Retaining expertise and developing successors therefore form part of sustaining delivery through change.
- **Commercial conditions influence both the resources available and which schemes providers are willing to serve.**
  Practical choice depends on suitable alternatives and a realistic ability to move between them. Smaller schemes can face proportionately higher costs or narrower provider options, but size alone does not determine access or service quality. Similarly, stronger regulatory expectations can improve oversight without ensuring that the resources needed to deliver better outcomes are available.
- **The evidence identifies these relationships more clearly than it measures their effects across the market.**
  It does not establish the total capacity available for additional work, consistent administration margins, or an overall strengthening or weakening of competition. Nor does it demonstrate that regulatory change has caused a general decline in service.



CHAPTER THREE:

TECHNOLOGY, DATA, AND THE FUTURE OF SERVICE DELIVERY

What this chapter shows

- **Technology is changing administration, but completed improvements, implementation programmes, and future ambitions represent different stages of progress.**
- **Reliable automation depends on accurate data, documented benefit rules, and processes that connect employers, administrators, and other providers.**
- **Digital services and AI can support faster processing and more accessible information, while creating additional requirements for testing, oversight, and specialist expertise.**
- **Over the next five to ten years, administration could combine greater automation with more focused human support, alongside increased dependence on shared technology and suppliers.**

Technology is changing administration, but evidence of sustained outcomes remains uneven

Technology adoption does not establish the extent of operational change

TPR's engagement with 15 administrators identified investment in systems and digital services alongside continuing constraints from outdated technology and poor data. Its findings describe differing experiences among participating organisations rather than a representative measure of transformation across the market.[124]

Assessing progress requires distinguishing four stages. A strategy describes intended change. A pilot tests an application within a limited setting. Implementation puts the necessary systems, information, and processes in place. Demonstrated operational improvement requires evidence that the resulting service performs better in sustained use.

These stages can coexist within one organisation. An administrator may already offer online benefit quotations while still processing other transactions manually and testing AI for internal support. Describing the organisation as digitally advanced can therefore conceal substantial differences between activities.

The distinction also applies to member-facing services. A portal may display documents, allow members to submit requests, or complete transactions without routine staff intervention. Each provides a different degree of functionality. Moving a request online does not necessarily remove the manual processing behind it.

Reported improvements reflect changes to data and working practices as well as software

Interview evidence suggests that technology can improve administration most effectively when it is introduced alongside changes to data and working practices.

One stakeholder interviewee described a completed programme that combined data cleansing and automated calculations with changes to staff training and member contact. Automation reduced the time staff spent on routine calculations, allowing them to focus more on resolving enquiries and explaining information to members. The improvements therefore reflected both the technology itself and changes in how the administration service was organised and delivered.

This example illustrates how technology can affect capacity through changes to the work undertaken by administration staff, rather than simply by increasing processing speed. Automating calculations and improving data may release time previously spent on routine processing or investigation, but the resulting benefit depends on whether that time is redirected towards member support, additional work or lower operating costs. The experience described represents an observed improvement within one organisation, rather than evidence of equivalent outcomes across the market. Its wider significance is that technology-enabled efficiency and improved member service are connected through decisions about how staff and processes are organised, rather than arising automatically from the introduction of new systems.

Another stakeholder interviewee described a system implementation that was still under way. They expected routine processes to become more automated and staff to move towards work requiring greater intervention.

This second account concerns benefits expected from an implementation still under way, rather than an improvement already observed in ongoing service. It contrasts with the preceding example of completed data and calculation changes that had released staff time for member contact. The interviews show why planned functionality and realised operational improvement need to be distinguished. They do not establish how frequently either experience occurs across the administration market.

A further stakeholder interview highlighted the importance of involving administrators in the design of changes, particularly where proposed functionality needs to address practical difficulties in everyday work.

The final example concerns a condition for successful implementation rather than a measured improvement. A technology-sector stakeholder also described the time and specialist input needed for business analysis and workflow redesign, which can be difficult for organisations with limited project resources. These accounts help explain why an installed system may leave parallel spreadsheets or manual processes in place if it does not meet practical needs. They identify possible barriers to realised benefits, but cannot show how common those barriers are across schemes.

Successful transformation requires evidence across the whole service

The success of a technology programme depends on the problem it was designed to address. A system introduced to reduce calculation errors should be assessed through improvements in accuracy, while one intended to improve member access should be assessed through changes in the member experience. Where technology is intended to strengthen operational resilience, the relevant test is whether services can continue effectively during disruption. This means that measures of transformation need to extend beyond whether a new system has been implemented and consider whether it has produced the intended improvement in administration.

Figure 3.1: Different transformation objectives require different evidence

Objective	Evidence of improvement	Important qualification
Accuracy	Fewer incorrect calculations, transactions, or communications; less corrective work	More effective checks may initially identify more existing errors.
Timeliness	Shorter time from a member's request to its resolution	Automating individual stages may not reduce the total time taken if delays remain elsewhere in the process.
Capacity	More work completed reliably with available resources; fewer unresolved cases	Routine completions should be considered alongside complex cases and outstanding work.
Cost	Lower cost of delivering a comparable service, including maintenance and correction	Implementation costs and changes in service scope affect comparisons.
Resilience	Evidence that essential functions and accurate records can be restored within tested timescales	Normal system availability does not establish recovery capability.
Member experience	Successful completion of tasks, understandable information, and effective support	Results from digital users alone may exclude members experiencing access difficulties.

Meaningful assessment also requires a baseline and consistent definitions. If case volumes, staffing, and service scope change during implementation, a simple comparison before and after the project cannot isolate the contribution of technology.

[124] TPR (2025a)

Assessing whether technology has improved member outcomes requires looking beyond overall automation rates, digital take-up, and reductions in contact volumes. These measures may indicate that straightforward transactions have become easier to complete, but they do not necessarily reveal what happens to cases requiring investigation, benefit interpretation or additional support. For example, fewer telephone enquiries could reflect successful self-service or difficulties accessing assistance, while higher automated completion rates may coexist with a backlog of unresolved complex cases. A fuller assessment would consider end-to-end resolution times, repeat enquiries, outstanding and aged cases, errors requiring correction, and members' experiences across different communication channels. Where possible, this evidence would distinguish routine transactions from more complex cases and identify whether members with additional support needs can complete the same essential tasks. The relevant measure of transformation is therefore whether administration becomes more accurate, timely, and accessible across different member journeys, rather than whether a greater proportion of activity is automated.

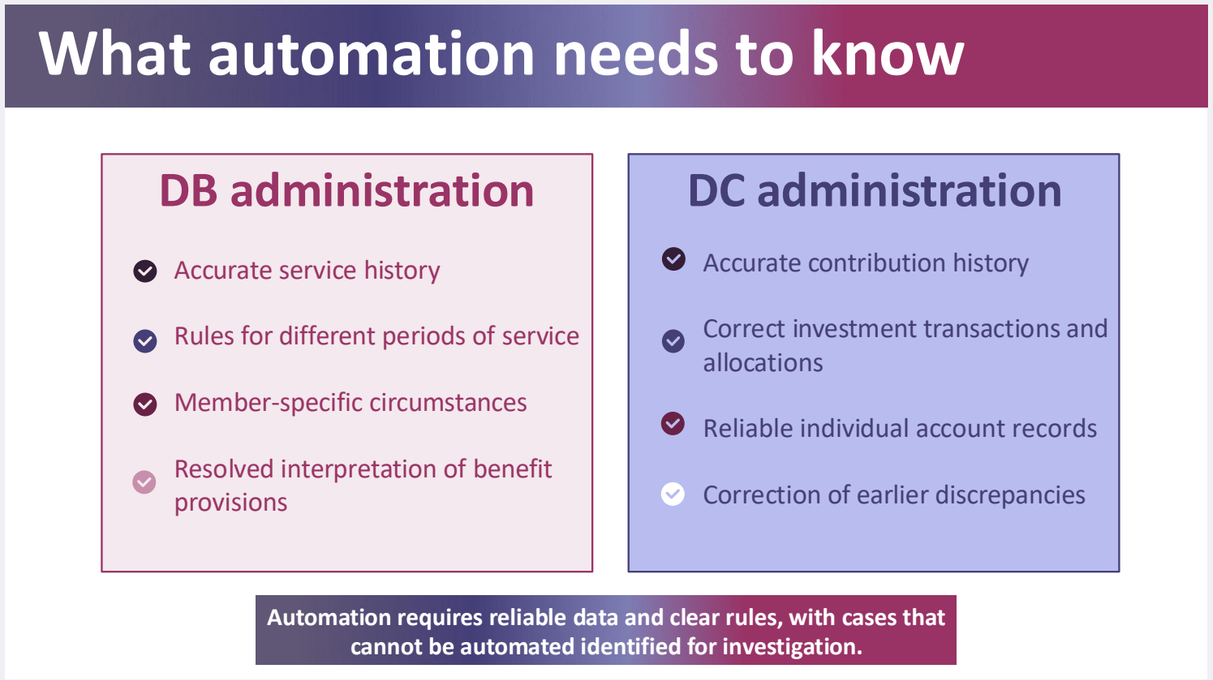
Accurate data and documented rules determine what technology can deliver

Data must be usable for the task being automated

Chapter 1 distinguished record completeness from accuracy. For transformation, a further question is whether the information can support the intended process without additional investigation. An administrator may hold a historical salary figure in a scanned document while the calculation system has no usable entry for it. Digitising the document improves access, but automated calculation requires the relevant information to be extracted, checked, and placed in the correct record. TPR's data guidance identifies investigation of gaps, reconciliation, and quality assurance as continuing administration responsibilities.[125]

Automation depends not only on the quality of the underlying data, but also on the information and rules needed to interpret it correctly (Figure 3.2).

Figure 3.2



The practical boundary of automation depends on reliable inputs and agreed rules. Cases outside that boundary need a defined route for investigation rather than assumptions that conceal uncertainty. For CDC arrangements, this principle also applies to the records and routines needed for annual valuations and benefit adjustments, including histories of target and in-payment benefits.[126] These requirements cannot be inferred solely from experience of automating conventional DB or individual DC calculations.

Employer and client decisions affect the reliability of automated processes

Data quality is maintained through the flow of information into the system. TPR's guidance highlights checks when information is received and clear arrangements with employers, including payroll teams, for supplying and correcting data.[127]

For example, an automated contribution process can identify that a file does not reconcile with the payment received. It cannot necessarily establish whether the employer submitted the wrong amount, omitted a member, or applied an incorrect earnings definition. Resolving the discrepancy may still require staff intervention and employer action.

Similar dependencies arise when a scheme must approve a benefit interpretation or commission work on historical records. An administrator can identify the issue and configure the eventual solution, but may lack the authority or information to resolve it alone.

This means that automation can make unresolved dependencies more visible. Once routine processing becomes faster, delays in obtaining information or decisions may account for a larger share of the total time taken. Improvements within the administrator consequently depend not only on its own actions, but also on stakeholder understanding, the strength of stakeholder relationships, and the responsiveness of other organisations.

Common formats support exchange, but do not remove benefit differences

Interoperability means that systems can exchange information and use it correctly. It requires more than a technical connection: the receiving system must understand what each item represents.

A shared label can conceal different meanings. For example, "pensionable pay" may depend on a scheme's rules, the relevant period, or the treatment of particular earnings. Standardising the format of that field does not make those definitions identical.

> *One stakeholder interviewee described the work needed to map data between systems using different names and structures. The exercise also required consideration of how the transferred information would support calculations and other services.*

PASA's Code of Conduct on Administration Provider Transfers addresses this problem through requirements for data definitions, benefit documentation, and access to knowledgeable staff.[128] These help another organisation understand the records, rather than simply receive them.

The implication is that standardisation is most useful where it makes genuine similarities easier to administer while preserving necessary differences. Common identifiers, exchange formats, and process documentation can reduce repeated work. Scheme-specific entitlements still need to be represented accurately.

Migration is complete only when the receiving service can operate correctly

Moving records to a new platform is different from demonstrating that the platform can administer them. PASA's master trust transition guidance brings together data reconciliation, calculation and process testing, employer information, and arrangements for work already in progress.[129]

[125] TPR (2025b)
[126] TPR (2026i)
[127] TPR (2025b)
[128] PASA (n.d.)
[129] PASA (2024)

For a technology change, testing needs to establish that the new environment reproduces the intended benefits and transactions, supports necessary communications, and preserves relevant histories. Differences between calculations produced at different points in the migration and testing process require investigation. Agreement at any one test point is reassuring only where the benchmark calculation and underlying data are themselves known to be correct.

Replacing a platform is also not the only possible response to limitations. Where the underlying system remains supportable and reliable, improvements to particular processes or interfaces may address the immediate problem. Where essential changes repeatedly depend on manual workarounds or unsupported components, replacement may offer a more sustainable route.

One stakeholder interviewee described a staged implementation, with a defined initial scope and a longer-term purpose.

A phased approach can limit the number of changes introduced simultaneously and allow learning from actual use. However, prolonged operation of old and new systems can create duplicate work and additional reconciliation. The appropriate approach depends on the condition of the existing service and the connections between its processes.

Automation can improve routine delivery, while AI introduces different opportunities and controls

Much useful automation does not require AI

Digitalisation, automation, and AI describe related but distinct changes. Digitalisation uses electronic information and channels to deliver a service. Rules-based automation performs specified steps when defined conditions are met. AI encompasses systems that use learned patterns to classify information, make predictions, or generate content.

A pension calculation that applies approved rules to verified records can be automated without AI. So can a workflow that assigns a case, requests missing information, or issues a standard communication after checks have been completed. This illustrates why the maturity of an administration service cannot be judged solely by its use of emerging technology. Established tools may deliver substantial benefits where work currently involves repeated rekeying, separate spreadsheets, or manual handovers.

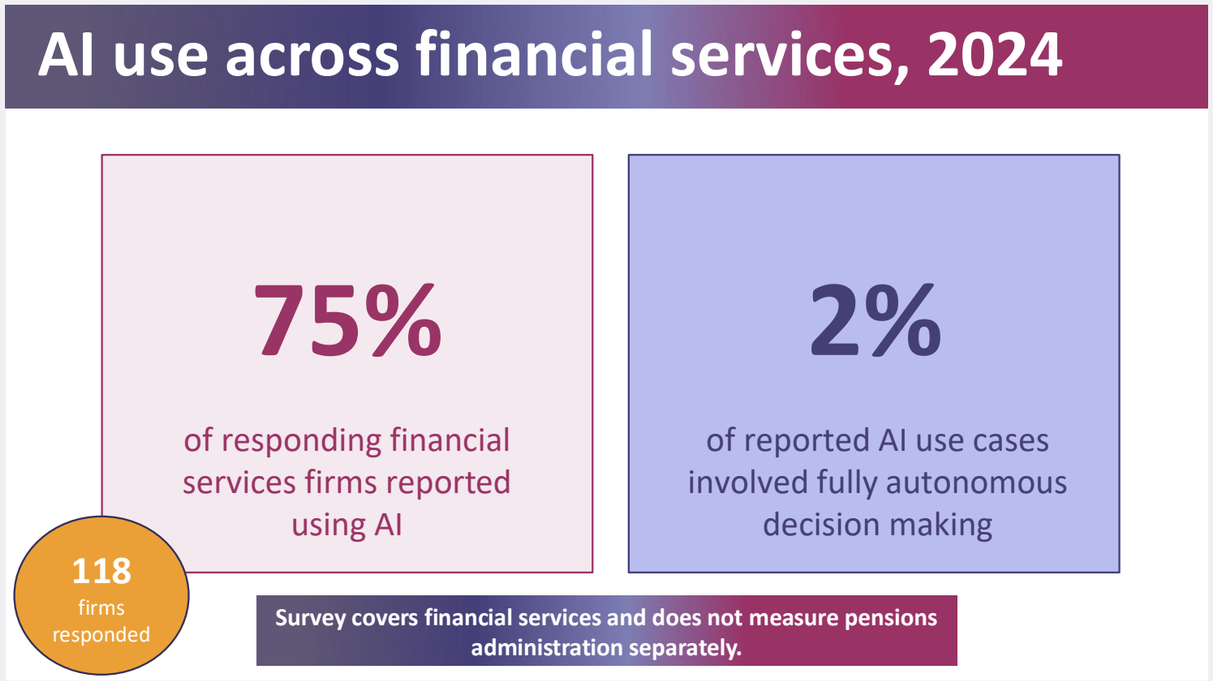
The gains are nevertheless conditional. If an incorrect rule is embedded in a shared calculation, automation can apply it consistently across many records. TPR explicitly recognises that inadequate technology controls can create systemic errors affecting multiple savers. Testing must therefore cover unusual circumstances as well as common cases.

AI use is developing, but broad adoption figures do not measure administration outcomes

TPR's administrator engagement found differing approaches to AI, including cautious adoption, chatbots, and predictive tools. It also identified variation in the governance supporting their use.[130]

Wider financial services evidence provides context for the development of AI, although it should not be treated as a benchmark for pensions administration (Figure 3.3).

Figure 3.3



The evidence therefore indicates that AI was already in use across financial services, but does not establish either its prevalence or effectiveness within pensions administration specifically.[131]

There is also distinction between organisational use and service transformation, which is important. Using AI to prepare an internal draft is different from integrating it into a member-facing process or allowing it to alter records. A firm can report AI adoption while its core administration remains largely unchanged.

One stakeholder interviewee described current use of AI assistance for drafting and software development, alongside discussion of member-facing applications under development. The interviewee emphasised that subject specialists still needed to check accuracy and suitability. This supports a picture of emerging assistance across several tasks, rather than evidence of autonomous administration replacing existing controls.

Potential applications include locating information in historical documents, classifying incoming enquiries, and helping staff find relevant guidance. Their value depends on how much reliable work they remove after checking and correction are included.

The consequences of error determine how AI can be used safely

Generative AI produces content such as text or software code. It can generate convincing but incorrect statements, commonly described as hallucinations. The National Institute of Standards and Technology (NIST) identifies these errors, privacy risks, and problematic human reliance among the risks associated with generative AI.[132]

For pensions administration, the relevance of AI depends less on the label attached to the technology than on the task it performs and the consequence of an error. AI may reduce manual searching, classification, or drafting, but its value for administration depends on whether outputs can be checked reliably and whether errors could affect a member's record, entitlement, or decision. TPR expects trustees and scheme managers to understand where AI is used, maintain clear accountability, and require testing, assurance, and ongoing monitoring, including where administrators and other providers supply the technology.

[130] TPR (2025a)
[131] BoE and FCA (2024)
[132] NIST (2024)

Applications that can affect records, calculations, or member communications therefore require stronger assurance than low-impact internal assistance. Human review is a meaningful safeguard only where reviewers have sufficient knowledge, evidence, and time to challenge the output. For the research questions in this report, the key issue is whether AI can expand usable capacity and improve service without introducing additional error, governance, or supplier risks into the administration process.

A technology supplier described AI-assisted work as an acceleration of existing activity rather than a substitute for specialist oversight:

> *"It speeds up the process, but it doesn't take away the human expertise."*
>
> *-Technology supplier*

This reinforces the distinction between faster processing and the controls needed where an output could affect calculations, records, or member communications.

Accuracy, fairness, and explainability are separate yet related requirements

A system's overall accuracy can conceal poorer performance for particular groups. The Information Commissioner's Office (ICO) notes that imbalanced data and design choices can contribute to differences in performance between groups. For example, biometric identity checks can sometimes accept the wrong person or reject the correct person, with error rates differing between groups.[133] Where a member is incorrectly rejected, this could in practice prevent them from accessing an otherwise available digital service unless an alternative route is provided.

Applied to administration, this means testing whether members with different communication or accessibility needs can use the service successfully. An identity check that works for most users may still require a reliable alternative for those it cannot verify. Similarly, an enquiry-classification tool could delay a complex case if it fails to recognise the significance of the member's wording.

TPR's May 2026 AI plan sets expectations for clear accountability, testing, assurance, and ongoing monitoring. It also emphasises that trustees and scheme managers need to understand where AI is used on their behalf.[134] These expectations apply to technology incorporated by suppliers as well as applications commissioned directly.

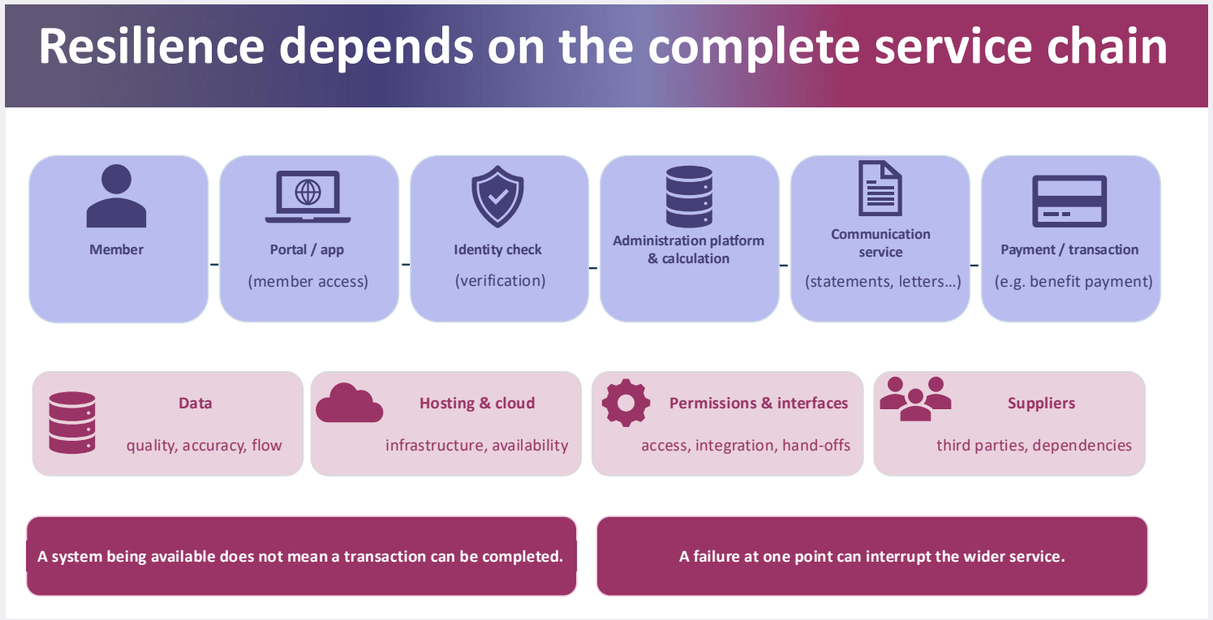
AI can also affect administration through members' use of external tools. TPR identifies risks from general-purpose AI being used for financial planning and advice.[135] Administrators may consequently receive enquiries based on information that sounds authoritative but does not reflect the member's scheme. Clear explanations of actual benefits and reliable routes to appropriate support remain important even where the administrator itself makes little use of AI.

Connected services can strengthen delivery while increasing shared dependencies

Resilience depends on the complete service chain

Administration services depend on a chain of connected systems and suppliers. A member may be able to access one part of the service while being unable to complete a transaction because another component is unavailable (Figure 3.4).

Figure 3.4



This means resilience depends on the connections between components, rather than the availability of the main administration platform alone. Specialist components can add functionality and expertise, but also create interfaces at which data, permissions, and responsibilities need to align. Greater integration can reduce some of these hand-offs, while potentially concentrating dependence on a smaller number of providers.

Cloud hosting changes the location of risk rather than removing it

Cloud services provide computing resources through external infrastructure rather than relying solely on equipment operated locally.

> *One stakeholder interviewee described cloud hosting and recovery arrangements as supporting their approach to continuity.*

The appropriate response depends on the type of disruption. Moving processing to another location may address a local infrastructure failure, but it may not resolve a software defect, corrupted records, or the loss of access credentials shared across environments.

Similarly, a backup preserves information only to the extent that it is complete, protected, and recoverable. It does not by itself demonstrate that staff can resume calculations, reconcile subsequent activity, or operate payment processes.

TPR's cyber guidance therefore emphasises understanding critical functions, data flows, and supplier controls, and checking the coverage of assurance and testing.[136]

[133] ICO (2023)
[134] TPR (2026h)
[135] TPR (2026h)
[136] TPR (2023b)

Shared suppliers can expose separate administrators to the same incident

Two administration providers may use the same cloud infrastructure, identity service, or software component. Their separate ownership does not necessarily provide independence from a technology failure.

The BoE and FCA's 2024 AI survey illustrates this issue in wider financial services. The three most frequently named cloud providers accounted for 73% of cloud-provider mentions. This is not a market-share estimate for pensions administration but demonstrates why apparently separate organisations may share important underlying dependencies.

A common dependency can allow disruption to reach several schemes simultaneously. A failed software update could affect organisations using the same component; a compromised identity service could prevent access to otherwise functioning systems. There is documented evidence that a supplier incident can affect many pension arrangements. In its October 2025 enforcement announcement, the ICO reported that the 2023 Capita breach affected 325 organisations providing pension schemes. The wider breach involved information relating to 6.6 million people, including pension, employee, and other customer records.

The incident demonstrates the reach of shared supplier exposure, although it does not show that every affected scheme experienced the same operational consequences. A pension-provider interviewee separately identified a possible risk from otherwise competing providers relying on the same underlying technology supplier. That was a prospective risk, not an account of a simultaneous outage. By contrast, a scheme-side stakeholder described the member communication and assurance work required following a supplier cyber incident. These accounts distinguish a potentially common dependency from the operational demands of a specific incident. TPR's administrator review also found limited evidence of supply chain mapping and continuity testing with suppliers, reinforcing the limits of current assurance about connected services.[139]

The significance of shared supplier dependencies extends beyond the resilience of individual administrators. Where several providers rely on the same cloud infrastructure, identity service, or specialist software, a single incident could interrupt services across otherwise separate organisations. This also complicates recovery. An alternative administrator may depend on the affected supplier, while providers that remain operational may face simultaneous requests for assistance or transfers. The availability of another organisation therefore does not necessarily establish that an independent recovery route exists.

For trustees and providers, this creates an important distinction between assurance about their immediate administrator and understanding the dependencies supporting the complete service. Relevant information includes which functions rely on external suppliers, whether critical components are shared across providers, what alternative arrangements are available and whether recovery tests cover the loss of common services. Visibility may be limited where subcontractors sit beyond the scheme's direct contractual relationships. The interview evidence identifies awareness of these risks and experience of responding to supplier incidents, but does not establish their prevalence across the administration market. The wider implication is that separate continuity assessments may give an incomplete picture of resilience where multiple organisations depend on the same infrastructure or recovery capacity.

Automation changes the distribution of expertise

The stakeholder interviews suggest that automation can alter the balance of work within administration teams.

> *One stakeholder interviewee described communication skills becoming more prominent in recruitment as systems undertook more calculation work, while a smaller specialist group retained calculation expertise.*

Automation may reduce the amount of routine calculation and processing work undertaken by administrators, allowing staff to devote more time to complex cases, member communication, and the oversight of automated outputs. However, it may also change how technical expertise is developed. Historically, repeated calculation work has provided opportunities for administrators to become familiar with benefit rules, recognise unusual circumstances, and develop the judgement needed to identify errors. If more of this work is completed automatically, junior staff may have fewer opportunities to acquire that knowledge through day-to-day practice.

The resulting challenge is not necessarily a reduction in the overall need for administrators, but a change in the capabilities the workforce must retain and develop. Greater reliance on automated calculations can increase the importance of staff who understand benefit specifications, system configuration, and the circumstances in which a result requires investigation. Structured learning, supervised exposure to complex cases, and documented calculation rules may therefore become more important as routine manual work declines. Automation can support efficiency and improve the use of experienced staff, but sustaining these benefits depends on preserving the expertise needed to challenge outputs and resolve exceptions.

Digital access is most useful when it connects with effective support

Digital and human services can form parts of the same journey. A member might obtain a quotation independently, seek help understanding it, and then complete the transaction online. Interview evidence also suggested that online quotations could be connected with booked conversations, allowing staff and members to discuss the same information.

A pension provider emphasised that digitalisation can be used alongside, rather than instead of, human support:

> *"We absolutely want to be at the end of the phone there for people when they need us the most [...]"*
>
> *- Pension provider*

This illustrates why channel choice is not simply a choice between digital and human service. Technology can also help concentrate human support at the points where members most need it.

Figure 3.5 illustrates circumstances in which members may require additional administration support, alongside the potential role of technology and areas where human intervention remains important.

Figure 3.5 Examples of complex administration cases and additional member support needs

Where members may need additional administration support

	MEMBER NEED	HOW TECHNOLOGY CAN SUPPORT	WHERE HUMAN SUPPORT IS NEEDED	POTENTIAL AREAS FOR IMPROVEMENT
1	**Complex benefit cases** Historical DB rules, unusual entitlements, incomplete records	Automated routine calculations and structured record checks	Specialist interpretation, investigation and validation	Better integration of benefit rules and records could make it easier to resolve complicated cases
2	**Unresolved enquiries** Disputed figures, missing contributions, delayed transfers	Case tracking, alerts and reconciliation tools	Resolving discrepancies across teams and organisations	Improved case tracking could help identify delays earlier and prevent members repeatedly chasing updates
3	**Additional communication needs** Accessibility requirements, limited digital access or confidence	Accessible online information and alternative channels	Tailored explanations and support to complete tasks	More accessible and personalised communication could help members who struggle with standard digital services
4	**Complex retirement journeys** Multiple pensions, retirement options and non-standard circumstances	Information, illustrations and guided processes	Explaining options and referring to advice where appropriate	Better information and guidance could help members understand their options and know when further support is needed.

Illustrative examples, not a market-wide assessment of current capabilities; delivery varies by scheme, provider and member circumstances.

[137] BoE & FCA (2024)
[138] ICO (2025)
[139] TPR (2025a)

Better integration could involve connecting benefit rules, member records and calculation systems so that administrators can identify discrepancies and resolve complex cases without repeatedly checking information across separate systems. For unresolved enquiries, linking case records across teams could help identify delays and provide members with more consistent updates. Better information could include clearer explanations of retirement options, personalised illustrations and guidance on the next steps, helping members understand their choices and recognise when additional support or advice may be needed.

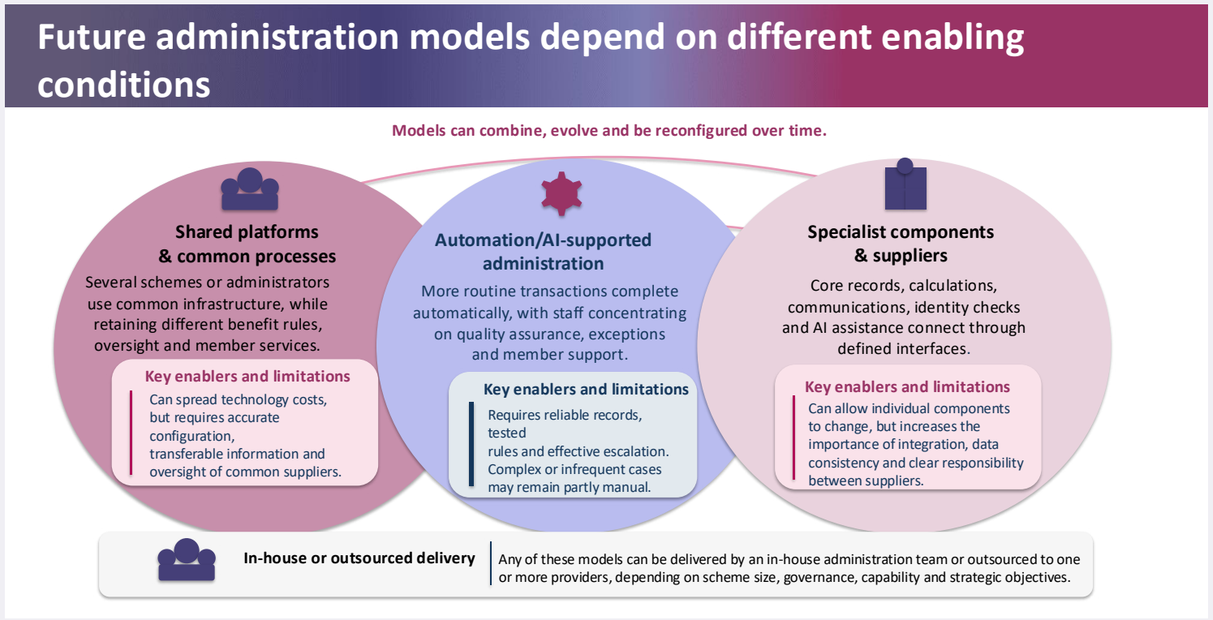
These improvements depend on staff having access to relevant information and understanding what members have already done across different channels. Otherwise, offering multiple contact routes may fragment the service rather than improve access. TPR's administration guidance recognises the need for alternatives to digital channels and support for specific communication needs.[140] Accessibility therefore concerns whether members can complete necessary tasks, including when an automated route does not work for them.

Pension scheme consolidation and the integration of administration infrastructure are distinct developments. While UK reforms have focused on increasing scheme and default-arrangement scale, Hong Kong's Mandatory Provident Fund (MPF) system has introduced the eMPF Platform to standardise and automate administration through shared electronic infrastructure.[141] This illustrates how administration can become more integrated without necessarily requiring schemes themselves to consolidate. Greater scheme scale may create opportunities for shared services, but the implications for members depend on how the underlying administration is organised and delivered.

Several models are plausible over the next five to ten years

Figure 3.6 draws together the chapter's findings to illustrate three models that could develop, coexist, or be combined in different ways.

Figure 3.6: Future administration models depend on different enabling conditions[142]



Further integration of established technologies is more plausible than fully automated administration

The models in Figure 3.6 represent different directions of change, but they are not equally established or likely to develop at the same pace across the market. Greater use of automated calculations, digital member services, and workflow systems is already evident, although the extent of adoption varies between administrators. Further integration of these established technologies appears more plausible over the next five to ten years than a wholesale shift towards fully automated administration. Shared platforms and specialist technology suppliers could also play a greater role, but their development will depend on the costs of integration, commercial incentives, and the ability to manage dependencies between organisations.

DC offers greater scope for standardisation, while DB and public-service administration face more complex constraints

The opportunities and constraints differ by market segment. In DC administration, recurring contribution, investment, and account processes provide opportunities for greater standardisation and automation, particularly where employers supply consistent data. Further integration of these processes therefore appears relatively plausible, although legacy systems and differences between providers may constrain progress.

DB administration presents a more mixed picture. Routine calculations and record management can increasingly be supported by technology, but historical benefit rules, incomplete documentation, and exceptional cases are likely to sustain demand for specialist expertise. Greater automation of standard tasks is therefore more plausible than the removal of human involvement in complex benefit decisions.

Public-service administration may benefit from shared infrastructure and more consistent processes, particularly where services are delivered at scale. However, statutory scheme provisions, multiple employer relationships, and dependencies on payroll and data flows may limit the pace and extent of integration. Across these segments, existing delivery arrangements and investment capacity will also influence which developments are commercially and operationally feasible.

AI applications are emerging, but autonomous benefit decisions remain speculative

More extensive AI-supported administration remains comparatively speculative, particularly where technology would independently interpret complex benefit rules, determine entitlements, or complete consequential transactions. However, emerging applications include AI-assisted extraction of information from scheme documents, virtual agents supporting routine member enquiries, and trials exploring the interpretation of complex scheme rules and preparation of benefit specifications.[143] [144] These examples illustrate potential applications in document processing, information retrieval, and administrative support, but do not establish that complex benefit decisions can be automated reliably without specialist oversight.

Wider adoption could accelerate through improvements in accuracy, data quality, and system integration, while benefit complexity, cyber security risks, and limited implementation capacity could constrain progress. The future is therefore more likely to involve different combinations of shared infrastructure, automation, and specialist human expertise than convergence towards a single model. Progress should be assessed through improvements in accuracy, accessibility, capacity, and resilience, rather than the extent of automation alone.

[140] TPR (2026)
[141] Echalier, M. & Garcia Requejo, M. (PPI) (2026)
[142] PPI synthesis of the evidence discussed in this chapter: These models are illustrative, not forecasts of market shares or adoption.
[143] Aptia (2025)
[144] Willis Towers Watson (WTW) (2026)

Summary

Technology's contribution depends on the service it enables

- **Technology is already changing parts of the pensions administration landscape, but the evidence distinguishes completed improvements from benefits still expected or being tested.**
  The gap between ambition and delivery reflects the work required to make data, rules, systems, and operating practices function together.
- **Over the next five to ten years, greater automation could allow staff to focus more on complex cases and member communication and support.**
  AI may extend those capabilities, while increasing the need to verify outputs and understand how decisions are made. Neither development removes the requirement for specialist knowledge.
- **More connected services also make supplier relationships, transferable records, and recovery capability increasingly complex and important.**
  The central trade-off is between the efficiencies available from shared technology and the dependencies it creates.
- **Transformation succeeds when it improves reliable access to benefits and information, with evidence that those improvements extend beyond routine cases and remain effective through change.**



CHAPTER FOUR:

DISRUPTION, PREPAREDNESS, AND BUILDING A RESILIENT ADMINISTRATION MARKET

What this chapter shows

- **Serious disruption can interrupt pension payments and other essential services even where the administrator remains in business.**
- **Contracts and continuity plans provide protection only where schemes can access the information, expertise, and funding needed to use them.**
- **Emergency transfers depend on another provider being able to take on the work quickly enough while maintaining services for existing clients.**
- **Tested preparedness can strengthen individual schemes, but shared suppliers and limited emergency capacity create risks that require a wider market response.**

Serious disruption is a spectrum, and the service that fails matters more than the categorisation of an incident

Administration is resilient when disruption to one component does not prevent a scheme from maintaining or restoring the activities that matter most to members. TPR expects governing bodies to plan for events including IT and cyber incidents, staff disruption, employer, service-provider insolvency, communications outages, and to ensure that core financial transactions can be resumed safely and promptly.[145]

For this report, serious administration disruption means an event or sequence of events that significantly prevents or degrades administration for long enough, or across sufficiently important functions, that ordinary incident-management arrangements are no longer adequate. This does not require the administrator itself to fail as a business. Disruption may arise from technology, suppliers, staffing, deteriorating performance, financial distress, or a failed transfer.

Different disruptions create various recovery problems

- A **prolonged operational or technology outage** may prevent access to administration platforms, workflow systems, portals, or payroll interfaces while underlying data remain intact. Recovery may therefore depend principally on restoring infrastructure, credentials, and interfaces.
- A **cyber incident** can be more complex because availability, data integrity, and confidentiality may all be uncertain. Systems may need to remain offline during investigation, and technical restoration may not be sufficient until data and access controls can be trusted. TPR identifies pension payments, retirement processing, and bereavement services among the core services schemes should understand and says these should be restored as soon as it is safe to do so, ideally within 24 hours.[146]
- A **critical supplier failure** can disrupt administration even where the administrator itself remains operational. Hosting, identity services, calculation components, or other specialist dependencies may all become points of failure. As Chapter 3 showed, these dependencies become more important as administration becomes more interconnected.

Deterioration can be gradual as well as sudden

Not all serious disruption begins with an abrupt outage. Performance deterioration may appear through rising backlogs, repeated errors, missed service standards, unfilled specialist roles, or delayed projects. This can provide trustees or scheme managers with more time to intervene, but it can still become a continuity problem if cases accumulate faster than they can be resolved or remedial work begins to displace normal service.

Loss of staff or specialist capability can create similar pressures. Administration may continue while a small number of people retain the knowledge required to interpret historic benefits, operate legacy systems, or resolve complex exceptions, but resilience weakens where that knowledge is not documented or disseminated. TPR's administrator engagement identified recruitment and retention of experienced DB staff as a continuing challenge and highlighted succession planning and key-person risk.[147]

The difficult judgement in these circumstances is often not whether disruption exists, but whether recovery with the incumbent remains more viable than moving the service elsewhere.

Financial failure and transfers create distinct continuity risks

Financial distress or insolvency of an administrator raises a different problem because the organisation's ability to continue providing staff, systems, and supplier payments may itself become uncertain. DWP's December 2025 governance consultation recorded TPR's view that a disorderly exit by a large TPA is a key risk and that it is unclear whether sufficient warning or market capacity would exist to transfer multiple schemes in an orderly way. This identifies a resilience gap rather than suggesting that such a failure is imminent.[148]

A failed implementation, migration, or transfer can also create disruption without either provider ceasing to operate. Data may have moved without being fully reconciled, benefit specifications may remain incomplete, interfaces may not function as expected, or responsibility for unresolved cases may be unclear. A partially completed transfer can therefore increase reliance on both the outgoing and incoming organisations at the point when responsibilities are changing.

The impact depends on duration, warning, and access to data

The cause of an incident is only one determinant of its severity.

- **Duration** matters as losing a portal for several hours is different from losing calculation and payroll systems across a payment cycle.
- **Warning** matters because gradual deterioration may provide time to secure data, test alternatives, and mobilise advisers, whereas ransomware or sudden supplier failure may not.
- The **legal entity affected** also matters: failure of a subcontractor may leave the administrator responsible for finding an alternative, while failure of the administrator itself may leave trustees dealing directly with a distressed counterparty.

Access to systems and data is particularly important. An administrator that cannot process transactions but can provide complete and verified records, documents, and details of outstanding work presents a different recovery problem from one where data are inaccessible or their integrity is uncertain. TPR therefore expects schemes to consider the wider administration supply chain, including supplier recovery capability and arrangements for supplier unavailability.[149]

Member impact should determine what is restored first

The consequences of disruption depend on which services are affected and the circumstances of the members relying on them. Pension payroll is particularly time critical because members may depend on regular payments for income, while delays to retirement, bereavement, or transfer cases can have immediate financial or personal consequences. Communication is also an essential part of continuity where normal systems are unavailable, information has been compromised or payment timescales are uncertain. Members with complex benefits or additional support needs may be particularly affected if alternative service arrangements cannot accommodate their circumstances.

Recovery priorities therefore need to reflect the consequences of interrupted services rather than simply the volume of outstanding transactions. Subject to legal deadlines and individual circumstances, some routine processing or non-urgent project activity may be deferred to protect essential payments, imminent retirements, bereavement cases, and urgent enquiries. However, temporarily deferring work creates obligations to monitor outstanding cases and restore normal service. Effective continuity therefore involves both protecting members facing immediate harm and preventing unresolved cases from accumulating during recovery.

One stakeholder interviewee described scenario planning as valuable principally because it establishes these priorities in advance, with continued pension payments normally the first operational priority.

[145] TPR (2026)
[146] TPR (2023b)
[147] TPR (2025a)
[148] DWP (2025b)
[149] TPR (2026)

Resilience requires continuity as well as recovery

Figure 4.1. Resilience therefore involves several related stages:

Objective	Practical question	Typical mechanisms
Prevent disruption	Can the likelihood of failure be reduced?	Sustainable resourcing, cyber controls, maintenance, succession planning, supplier oversight, and change control
Contain disruption	Can an incident be prevented from spreading?	Incident management, segregated access, alternative channels, supplier escalation, and controlled shutdown
Maintain essential services	What must continue while full service is unavailable?	Service prioritisation, payroll contingencies, alternative processes, and member communications
Recover the existing service	Can the incumbent operating model be restored safely?	Backups, disaster recovery, staff mobilisation, reconciliation, and remediation
Transfer administration	Can another organisation take responsibility if recovery is not viable?	Exit rights, usable data and documentation, implementation resources, procurement, and testing
Improve market resilience	How can future incidents cause less harm across schemes?	Standards, visibility of common dependencies, transition protocols, market monitoring, and collective contingency arrangements

These activities are connected but are not substitutes for one another. Strong disaster recovery may avoid the need for a transfer, while contractual exit rights do not provide short-term continuity during the period required to implement another provider. The practical test of resilience is therefore not simply whether an organisation can recover from disruption, but whether essential member services can continue while recovery or transfer takes place.

Formal duties and contractual protections matter, but resilience depends on whether they remain usable under stress

Accountability remains with the governing body

The responsibilities established in Chapter 1 remain relevant during serious disruption. Governing bodies continue to be accountable for administration, but may depend on administrators and other suppliers for the information, systems, and personnel needed to maintain essential services. The operational issue is therefore whether they can obtain what is needed to make decisions and oversee recovery when normal arrangements are unavailable. That does not mean trustees can perform every administration function themselves. They may remain accountable for continuity while depending on administrators, payroll providers, banks, systems, data, and specialist staff to deliver it. Resilience therefore depends partly on whether these dependencies and the governing body's role during disruption have been understood in advance.

Contracts provide important protections, but only if they can be used

For outsourced arrangements, contracts are a principal mechanism for allocating responsibilities. TPR identifies matters including ownership of scheme materials, data protection, subcontractors, business continuity, incident reporting, termination, and operational handover as areas contracts can address.[150]

These provisions can reduce uncertainty, but their effectiveness depends on how specific they are and whether the administrator remains capable of complying with them during a crisis.

A specialist pensions lawyer distinguished the role of contractual backstops from the arrangements needed to manage an incident in real time:

> *"The contract is the backstop. That's what you get to when everything's been resolved. You go back and you say who owes what to whom. Actually what you want and what we sort of try to focus on more these days is the practical reality. What is the plan if this happened? What would you really do? What information would you provide? Who would you work with?"*
>
> *- Specialist pensions lawyer*

The distinction is consistent with the wider resilience analysis: contractual rights support accountability and recovery, but do not themselves restore systems, data access, or member services.

Where an administrator acts as a processor for a scheme that is the controller, UK GDPR contracts must address the return or deletion of personal data when processing ends and require appropriate security measures, including measures to restore access following an incident.[151] However, a legal right to data does not guarantee that a complete, current, and usable extract can be produced immediately during a cyber incident or insolvency.

Similar issues arise with intellectual property. A scheme may own its records or benefit specifications while relying on software, calculation engines, or workflow tools owned or licensed by the administrator or another supplier. Formal ownership therefore does not necessarily provide the operational capability needed to continue the service.[152]

Practical preparedness therefore involves identifying not only whether the scheme is entitled to its records, but also whether the benefit specifications, calculation logic, relevant licences, and technical documentation would be available to an authorised recovery team or replacement administrator. These materials may need to be kept current and tested for usability, subject to legal, security and intellectual-property constraints. Access rights are most valuable when they support a service that can actually be operated or recreated.

Exit provisions support transfer, but emergency transfer is harder

Exit arrangements can make an orderly provider change more manageable. PASA's guidance on administration transfer exit agreements recommends clarity over data and information provision, responsibilities, scope, fees, and additional charges, reflecting problems previously reported around delays and deteriorating service during notice periods.[153]

However, these arrangements largely assume that the outgoing provider remains capable of supporting the transfer. In an emergency, the central question is whether the ceding provider still has the staff, systems, and access needed to deliver what the exit agreement requires.

Some contracts may include step-in rights or escrow arrangements, but these are not universal and do not remove the operational challenge. Access to software code or contractual authority to intervene would not by itself recreate the infrastructure, licences, knowledge, and staff needed to run an administration service.

Financial remedies have similar limits. Service credits, damages, and liability provisions may determine who ultimately bears costs, but they do not necessarily provide the immediate resources required for parallel processing, advisers, data work, communications, or urgent procurement. Continuity therefore depends on both contractual rights and the ability to fund and mobilise a response.

[150] TPR (2026)
[151] ICO (n.d.)
[152] TPR (2025a)
[153] PASA (2022c)

Insolvency exposes gaps between legal rights and operational continuity

Administrator insolvency changes the practical context because the provider's ability to continue supplying staff, systems, and supplier payments may itself be uncertain. Contractual rights may remain, but their usefulness will depend on the circumstances of the insolvency and on what resources remain available.

There is also no general Pension Protection Fund (PPF) backstop for failure of an administration company. PPF protects members of eligible DB schemes where a qualifying insolvency event affects the sponsoring employer and the scheme lacks sufficient assets to provide PPF compensation.[154] Administrator insolvency and sponsor insolvency are therefore distinct risks.

Some pension models have more explicit continuity mechanisms. Authorised master trusts, for example, are subject to a statutory triggering-event regime under which trustees may be required to resolve the problem or transfer members and wind up, supported by an implementation strategy and financial planning.[155] This provides a useful example of a formal continuity framework, but it does not apply generally to third-party administrators serving occupational schemes.

Continuity planning that assumes an administrator remains operational is distinct from planning for its failure. If a master trust's administrator ceased to operate, the statutory framework alone would not establish how administration could continue or be transferred. This would depend on access to usable member data, supporting systems, documented benefit requirements, and specialist expertise, including where the outgoing administrator was unable to assist.

Regulatory protection varies across delivery models

DWP has noted that some organisations administering trust-based schemes may also fall within FCA regulation because of activities undertaken elsewhere, while others may sit outside direct regulatory oversight of the administration service itself.[156]

Where firms are subject to the FCA's operational resilience framework, requirements are more explicit. In-scope firms must identify important business services, set impact tolerances, map the resources supporting them, and test their ability to remain within those tolerances under severe but plausible disruption.[157] These requirements provide a useful comparison, but they do not apply across the whole occupational pensions administration market.

The practical implications also differ by operating model.

- **Outsourced schemes** may have contractual protections but limited direct control over staff and systems.
- **In-house schemes** avoid the problem of administrator termination but may depend heavily on employer technology and specialist employees.
- **Integrated or bundled models** may reduce organisational hand-offs while making administration harder to separate from wider provider or product relationships.

The practical test is whether protections work during disruption

The existence of a contractual, legal, or regulatory safeguard is therefore only part of the resilience picture. The more important question is whether, during disruption, the scheme can identify the relevant protection, invoke it, obtain the information or service it is intended to provide, fund the response, and combine it with the operational resources needed to protect members.

Recovery is usually more achievable than an emergency transfer, and spare capacity is not the same as usable capacity

Stabilising the existing service is usually the first priority

Where disruption occurs, the first operational question should normally be whether the existing service can be stabilised. Recovery preserves incumbent staff, systems, knowledge, and interfaces, whereas an emergency transfer must recreate those connections in a new environment while the original disruption is still being managed.

What can be recovered depends on what survives the incident. Reliable data, payroll records, benefit specifications, and key staff may allow temporary processes to operate while systems are restored. If data integrity is uncertain or specialist knowledge has been lost, even basic continuity becomes harder. TPR therefore expects disaster-recovery arrangements to address retrievable records, tested backups, data accuracy, and continuity of core financial transactions, rather than treating the existence of backups alone as evidence of resilience.[158]

One stakeholder interviewee described a contingency under which earlier payroll information could be used in an extreme outage to maintain pension payments, with adjustments dealt with separately.

This illustrates a wider principle: essential services may temporarily operate through narrower or more manual processes, provided these are controlled and reconciled afterwards.

Cyber incidents require particular caution, TPR advises schemes not to restore systems or data until it is safe to do so and expects plans to cover affected systems, priorities, backups, communications, and regulatory reporting.[159] Rapid restoration of a compromised environment can increase rather than reduce disruption.

Emergency transfer compresses, rather than removes, implementation work

Where recovery is not viable, administration may need to move. However, an emergency transfer still requires the same core activities as a planned transition: usable data and benefit documentation, system configuration, testing, secure data handling, operational governance, and cooperation between providers. The difference is that much of the normal preparation time has disappeared.

A receiving administrator would need to establish what benefits it is administering, which data and calculations can be relied upon, what unresolved work has been inherited, and how payments, contributions, and external interfaces will continue. Payroll, banks, employers, investment providers, and communications channels may all need to be redirected or rebuilt.

Staff, knowledge, and procurement constrain how quickly a scheme can move

A new provider can recruit additional processing capacity, but it cannot immediately reproduce years of scheme-specific knowledge. Where staff move with an administration book, continuity may be easier; where experienced staff have already left, rules, open cases, and historic practices may need to be reconstructed from records.

Procurement creates a further constraint, as trustees may know which firms could theoretically administer a scheme but still need to establish which will accept it, on what terms, and with what implementation plan. An accelerated process must still provide sufficient assurance that the receiving provider can operate the scheme securely and accurately.

[154] PPF (n.d.)
[155] TPR (2018b)
[156] DWP (2025b)
[157] FCA (2026)
[158] TPR (2026)
[159] TPR (2023b)

Spare capacity is not necessarily usable emergency capacity

The distinction between nominal capacity and usable emergency capacity is important. A provider may expect to grow, have technology headroom, or be able to recruit over time. Usable emergency capacity means having the implementation, technical, and pensions expertise available quickly enough to take on a particular scheme without undermining service to existing clients.

Providers may therefore decline emergency work despite having growth capacity. Poor records, uncertain benefit rules, and limited cooperation increase implementation risk, while compressed timetables can require senior specialists already committed to other transitions. If several schemes need to move from the same administrator simultaneously, the same receiving providers and implementation teams may be approached at once.

This is the practical significance of DWP's observation that it is unclear whether sufficient market capacity would exist to transfer multiple schemes following the sudden exit of a large administrator.[160] The relevant question is whether they serve the scheme type concerned, have appropriately skilled teams available, and can take on the work without damaging existing services.

Resilience depends on whether another provider can take over, not simply on how many providers exist

The existence of alternative administrators does not necessarily provide an independent or immediately available replacement service. Larger providers may have greater investment and implementation resources, while smaller or specialist organisations may offer additional options for particular scheme types. However, the ability to take over administration depends on the receiving organisation's expertise, access to suitable technology, capacity to complete implementation work, and ability to maintain its existing commitments. Shared underlying suppliers can create an additional constraint where otherwise separate providers depend on the same affected infrastructure.

Substitutability is therefore a more useful measure of emergency resilience than the number of providers operating in the market. It concerns whether another organisation could deliver the required service under the conditions of a particular disruption, including where records are incomplete, specialist staff are unavailable or several schemes seek assistance simultaneously. The evidence does not establish how much such capacity exists across the market, but it indicates why commercial availability and practical readiness need to be considered separately.

The master trust regime illustrates why transfer should not be assumed to be immediate. TPR's guidance indicates that continuity option one, involving transfer of members and wind-up, can take at least ten months from approval of the implementation strategy and agreement of a default scheme for the statutory transfer stages.[161] While this process is not directly comparable with replacing an occupational scheme administrator, it reinforces the broader point that even planned continuity transfers are substantial operational exercises.

Emergency resilience therefore cannot depend on moving the whole service immediately. It requires a credible way to maintain essential functions while the existing arrangement is recovered or a replacement is implemented.

Preparedness depends on tested arrangements, but evidence does not establish readiness across the market

Existing evidence identifies gaps without showing that schemes are uniformly unprepared

The evidence reviewed does not provide a representative assessment of trustees' and scheme managers' ability to respond to serious administration disruption. TPR identified examples of effective risk management alongside weaknesses in continuity documentation, communication arrangements, and supplier testing. These findings raise questions about the assurance available to governing bodies, but do not establish how many schemes could maintain essential services during a prolonged incident.[162]

> *One stakeholder interviewee described regular scenario testing and considered continuity arrangements stronger than in the past. Another stakeholder described learning from an incident and drawing on specialist teams and colleagues elsewhere in the organisation.*

The stakeholder evidence illustrates different dimensions of operational preparedness rather than a consistent level of readiness across the market. Examples of regular testing demonstrate how organisations can assess and strengthen planned responses, while experience of an actual supplier incident shows the additional demands involved in communication, assurance, and restoring confidence in services. Legal-advisory evidence adds a further distinction between having contractual protections and being able to use them during an incident. These accounts illustrate potential approaches and operational challenges, but do not establish how widely the arrangements are used or how effectively they would operate under other circumstances.

The practical significance is that preparedness cannot be demonstrated by the existence of a plan alone. Testing provides stronger evidence where it examines the availability of essential information, specialist personnel, decision-making authority, and alternative processes under realistic conditions. It is also important to distinguish a successful test of an individual system from evidence that the complete administration service could continue during a wider disruption. For governing bodies and administrators, the relevant question is therefore not only whether continuity arrangements have been documented, but what has been demonstrated about their operation and what remains uncertain.

Oversight is effective when information leads to timely decisions

The earlier analysis identified service deterioration as a possible warning of more serious disruption. For governing bodies, the next question is whether their reporting arrangements allow them to recognise the problem and decide what to do. An increase in unresolved retirement cases, for example, needs an explanation of its causes, the members affected, and the administrator's proposed response.

TPR's data-quality initiative illustrates the importance of understanding the evidence supplied. It found differences in testing methods and reports that did not always explain their coverage sufficiently. This concerned data oversight rather than emergency readiness, but it shows why receiving a report does not necessarily establish that trustees understand the underlying position.[163]

[160] DWP (2025b)
[161] TPR (2018b)
[162] TPR (2025a)
[163] TPR (2025d)

For continuity planning, this suggests a need to connect warning information with escalation. A governing body could agree when repeated deterioration requires a recovery plan, independent advice, or consideration of alternatives. The purpose would be to create time for intervention while options remain available. An isolated missed target would not necessarily justify changing administrator; persistent deterioration without a credible response could warrant closer scrutiny.

Effective escalation also depends on access to people who can explain operational difficulties and commit to corrective action. Additional reporting has limited value if concerns repeatedly return to the board without an accountable owner or an agreed decision.

Scheme plans need to address the decisions that suppliers cannot make

TPR expects outsourced schemes to obtain assurance that their administrator's continuity plan covers their services, is reviewed regularly and is tested, with results reported to the governing body.[164]

However, a supplier's plan cannot resolve every scheme decision. The administrator may be able to restore processing while needing trustee approval for additional expenditure, a departure from normal procedures, or communications about uncertain benefit timings. Preparedness therefore includes identifying who can make those decisions, who can act in their absence, and which matters require wider approval.

An exercise could test this by assuming that the usual signatory is unavailable, the administrator's normal contact route has failed, and an urgent payment decision is required. This would examine the governing body's response alongside the supplier's technical recovery. It could also reveal whether advisers have been appointed on terms that allow urgent assistance and whether another contact is available if the principal adviser cannot respond.

PASA's business continuity standard provides a basis for following up such exercises. It calls for regular testing, reporting of results, and corrective plans with responsibilities and timescales where weaknesses are found.[165] The resulting evidence is stronger when it shows that a weakness has been resolved and retested, rather than simply recording that an exercise took place.

Access and funding arrangements need to work before a crisis occurs

The contractual protections discussed previously can be assessed through practical checks. For example, a scheme could establish whether authorised people can obtain its current benefit documentation and a usable data extract without relying exclusively on the administrator's usual portal. Any alternative access would need appropriate security controls and a process for keeping information current.

> *"We are seeing some trustees think about external data storage, sort of a periodic data cut held outside of the administration business […] recognising that the minute you extract the data, it goes out of date. So […] there's always limitations to it. But some schemes [are] looking at data storage just enough to communicate with people so that if […] the worst happened, you knew you could at least do that."*
>
> *- Specialist pensions lawyer*

A periodic extract would not provide a complete or continuously current replacement service, but it could preserve a minimum level of information for communication or recovery if normal access were lost.

The question is not whether trustees can operate the administration platform themselves. It is whether they can obtain and authorise the information needed by those managing recovery or evaluating a replacement. Reviewing the scope of assurance is also important: a successful infrastructure test may exclude pension payroll, employer interfaces, or a subcontracted service.

Funding presents a separate constraint. A contingency plan could identify the likely categories of emergency expenditure, the authorised source of payment, and the approval process. This would not establish the final cost of an incident, but could reduce delays in commissioning specialist support. An expectation that costs might later be recovered from a supplier is different from having funds available when work must begin.

Smaller schemes may need external support, while larger arrangements face coordination demands

One stakeholder interviewee described being able to draw on dedicated continuity and information-security staff and redeploy colleagues with previous administration experience. This illustrates a resource advantage that some larger organisations can possess.

> *"So having that scale and having that opportunity to have designated people whose day job it is, those give you the benefits of them being able to respond better."*
>
> *- Large in-house administration team*

Smaller schemes may obtain specialist support from their employer, administrator, or advisers rather than employ it directly. TPR recognises that a small, uncomplicated in-house operation may be covered within an employer's continuity plan, provided that the plan specifically addresses pension administration, systems, and data.[166] The relevant test is whether support is suitable and available, rather than whether the scheme maintains a separate specialist team.

Larger arrangements may have more resources but also more interfaces, internal approval routes, and members requiring communication. Their plans consequently need to establish how those resources would be coordinated. Scale can support preparedness without demonstrating that every dependency has been tested.

Public-service arrangements require particular clarity about decision making. Scheme managers retain overall responsibility, while pension boards provide advice and assurance rather than acting as trustee boards.[167] An emergency plan therefore needs to follow the actual delegations of the administering organisation. A pension board's recognition of a problem does not itself establish authority to procure support or approve expenditure.

Responsibilities are distributed across the market, so improvements depend on decisions being connected

Administrators control delivery, while commissioning organisations shape what is funded

Responsibility for administration does not sit wholly with either the governing body or the organisation undertaking the work. Trustees and scheme managers retain oversight responsibilities, while administrators manage the staff, processes, and supplier relationships through which contracted or delegated services are delivered. For FCA-regulated firms, outsourcing likewise does not transfer the firm's applicable regulatory responsibilities to its supplier.[168]

Administrators can act directly on workforce planning, documentation, operational controls, and the reliability of their reporting. Their management teams also decide how growth and implementation commitments fit with existing work. Accepting an appointment without sufficient delivery resources can create pressures for both new and existing clients, even where the contract is commercially attractive.

[164] TPR (2026)
[165] PASA (2024b)
[166] TPR (2026)
[167] TPR (n.d.b)
[168] FCA (2026)

Commissioning organisations influence these decisions through service specifications, procurement, and funding. Building on Chapter 2, sustainable pricing means understanding the resources needed for the agreed service and how additional work will be commissioned. It does not mean assuming that higher fees produce better outcomes. A useful commercial discussion connects proposed expenditure to a defined improvement, such as reducing unresolved cases or removing dependence on a single specialist.

Integrated providers need to make these relationships visible within their own organisations. Where administration shares systems and budgets with other functions, pension service requirements can otherwise become difficult to distinguish within broader investment decisions.

Employers and advisers influence whether operational problems can be resolved

Employers contribute to resilience through the information and resources they provide. TPR's data guidance assigns practical roles to administrators in working with employers to improve incoming information and resolve deficiencies.[169] An administrator may identify an incomplete employment history but depend on payroll or human resources colleagues to establish the correct record.

The sponsor's financial role depends on the scheme's governing and funding arrangements. Where an employer funds administration or provides shared infrastructure, decisions about budgets, access, and support can affect continuity. Schemes cannot assume that additional sponsor funding or staff will be available during disruption, particularly where the employer is also affected.

Advisers can help governing bodies interpret evidence, assess contracts, and evaluate recovery options. Their contribution depends on a clear scope of work and an understanding of when they should become involved. TPR's code addresses the allocation of responsibilities, referral arrangements, and conflicts when advisers and service providers are appointed.[170]

It is not possible for advice to substitute for operational information that has not been obtained. Equally, an administrator cannot resolve every question about benefit interpretation or the use of scheme resources without the relevant decision or advice. Delays can therefore arise between organisations even when each is performing its own defined task. Identifying who owns the unresolved issue and who must authorise its resolution can help prevent these gaps.

Industry bodies and public authorities address different limitations

Professional and industry bodies can develop guidance, support training, and provide forums for learning. These are voluntary roles, distinct from the legal obligations of trustees, providers, or employers. Standards can help organisations judge their arrangements, but an industry body does not thereby become responsible for delivering a scheme's services during an incident.

Regulators can scrutinise conduct and compliance within their respective remits, while Government determines the legislative framework and whether additional powers are needed. Public-service policy responsibilities also sit with the relevant responsible authorities. These roles do not amount to a general commitment to fund or operate replacement administration.

The limit of individual action becomes clearer where several schemes depend on the same provider. Each governing body can seek assurance for its own service, but cannot necessarily determine how competing recovery demands would be prioritised across that provider's clients. DWP's governance consultation recognises that trustees are unlikely to be able to assess risks across the whole administration market.[171]

This creates a role for wider visibility and coordination. The next section considers mechanisms that could support it, while distinguishing cooperation from a binding commitment to provide emergency assistance.

[169] TPR (2025b)
[170] TPR (2024b)
[171] DWP (2025b)
[172] PASA (2024b)

Collective mechanisms can improve consistency, but their value depends on coverage and implementation

Standards and accreditation provide evidence within a defined scope

PASA's standards cover service agreements, reporting, errors, procedures, continuity, change control, assurance, data, and staff development. Accreditation recognises organisations that have demonstrated compliance with those standards. Together, these mechanisms provide a structured basis for assessing administration practices.

Their potential value extends beyond the award of accreditation. A common framework can make expectations clearer when services are procured and help organisations identify weaknesses before an external assessment. Governing bodies can also use it to organise questions that might otherwise be asked inconsistently.

The strength of the assurance nevertheless depends on its scope, date, and underlying evidence. PASA's continuity assessment includes examination of selected procedures and test results.[172] This can support confidence in the processes examined, but cannot establish that every possible incident has been anticipated, that an organisation will remain financially viable or that another administrator could immediately receive its clients.

Accreditation is therefore most useful alongside continuing scheme-specific scrutiny. Changes to ownership, systems, staffing, or subcontracting may alter the service after an assessment. Similarly, absence of accreditation does not, by itself, demonstrate poor administration. Assessing its effect across the market would require evidence about participation, improvements following assessment, and subsequent service outcomes.

Common transition requirements could reduce repeated work without standardising benefits

PASA's administration-transfer code already provides a framework for cooperation between outgoing and incoming providers, including the information and documentation needed for a handover.[173] Further consistency could focus on how information is described and exchanged. A common transfer package might specify the structure of a data inventory, outstanding-case register, benefit-documentation index, and record of unresolved issues. Such arrangements could reduce the time spent establishing what information exists and who will supply it. They would not remove the need to interpret scheme rules, check records, or configure the receiving service. Common formats must preserve differences in benefit entitlements rather than conceal them.

Shared workforce initiatives could widen access to training, but capability takes time to develop

PASA's staff-development standard connects training and appraisal with demonstrated competence and succession planning. It also recognises that small in-house teams may need support from other business areas or advisers to manage dependence on individual employees.[174]

A collective response could build on this through shared learning resources, clearer routes into administration, and training that smaller employers can access without developing a complete programme themselves. Common training could cover transferable knowledge, while employers retain responsibility for supervised practice, and scheme-specific competence.

The benefit would depend on whether additional people become capable of undertaking the work where shortages exist. Measures of progress could include completion, competence, and retention, alongside the time experienced staff spend supervising new entrants. Training can expand future capacity while placing demands on current capacity.

[173] PASA (n.d.)
[174] PASA (2024c)

Information-sharing can support learning, while emergency assistance requires firmer commitments

Sharing lessons from incidents and exercises could help organisations identify weaknesses before experiencing them directly. Joint exercises could also reveal conflicting assumptions between schemes, administrators, and technology suppliers. TPR's cyber guidance encourages exchange with trusted stakeholders and peers as part of understanding evolving risks.[175]

For such exchanges to be useful, participants need clear arrangements for confidentiality, handling sensitive information, and following up findings. Commercially sensitive information would require appropriate safeguards. A forum that shares general lessons serves a different purpose from an arrangement through which participants commit staff or systems during an emergency.

Potential mutual-assistance arrangements could range from access to specialist advice to temporary processing support or reserved implementation capacity. These are possible models for development, not established market-wide protections identified by this research. Their credibility would depend on who pays, who can request assistance, who authorises data access, and who accepts responsibility for the work undertaken.

Reserved capacity would also have an ongoing cost. Capacity promised to several organisations could become unavailable when they need it simultaneously, particularly if they share the supplier affected by the incident. Testing collective arrangements would therefore need to examine concurrent demand and the consequences for existing clients.

Voluntary mechanisms may be effective where participants can see a clear benefit and commitments are specific. Their reach may remain uneven where costs arise immediately but benefits are uncertain or shared with organisations that do not contribute. Procurement requirements, contractual commitments, or regulatory expectations could strengthen participation, although each would introduce its own costs and requirements for oversight.

Policy options address different weaknesses and require proportionate implementation

Existing expectations provide a basis for action, while wider administrator regulation remains a proposal

Current TPR guidance provides a basis for challenging inadequate scheme oversight, continuity planning, and supplier assurance. However, guidance explains expectations; it does not itself create new statutory powers.

DWP's December 2025 consultation considered minimum administration standards, administrator registration, and direct oversight, including possible coverage of integrated service providers used for dashboards. As at October 2026, the consultation page did not contain a published government response. The options described were therefore proposals rather than current regulatory requirements.[176]

Existing financial services requirements have a different perimeter. The FCA's operational resilience rules apply to specified categories, including insurers and enhanced-scope firms; they are not a universal requirement for every pension administrator.[177]

Oversight of designated critical third parties began in July 2026, focusing on systemic services supplied to regulated financial organisations.[178] Separately, final rules for operational incident and third-party reporting are due to take effect on 18 March 2027, with different populations covered by the two reporting requirements.[179] These developments may improve visibility of some dependencies affecting pension providers, however they do not establish comprehensive oversight of occupational pensions administration or remove firms' own responsibilities.

Stronger oversight could improve preparedness without resolving every continuity constraint

Within the existing framework, supervisory attention could focus more closely on evidence that schemes can implement their arrangements. Examples include examining how test findings are resolved, whether critical suppliers are included, and whether governing bodies have acted on repeated service deterioration.

TPR's data-quality initiative provides an example of targeted engagement prompting some schemes to measure their data, and it supports the possibility that supervisory attention can change behaviour.[180]

A targeted approach could concentrate resources on more complex arrangements, persistent weaknesses, or dependencies affecting many schemes. The limitation is that scheme-by-scheme oversight may leave risks across a provider's client base insufficiently understood. Common evidence requirements could reduce repeated requests, but would need to retain enough detail to identify risks specific to a scheme.

The following options could potentially address different problems.

Figure 4.2

Possible approach	Potential contribution	Main limitation or trade-off
More focused supervision of existing scheme obligations	Tests whether governing bodies understand and act on administration risks	Relies on scheme-level information and existing powers; does not create emergency delivery capacity
Administrator registration and proportionate reporting	Improves visibility of providers, activities, and dependencies	Registration alone says little about quality; compulsory reporting would need a clear legal basis, definitions, and safeguards
Enforceable minimum standards	Establishes a common baseline for specified services	Can increase costs and encourage formal compliance unless assessment examines delivery
Direct administrator supervision	Allows provider-wide weaknesses to be examined beyond individual contracts	Requires decisions about scope, powers, funding, and overlap with other regulators
Formal continuity planning and financial provision	Could support preparation for an orderly exit and fund parts of a response	Money and plans cannot guarantee available staff, systems, or a receiving provider

Monitoring needs to connect service outcomes with the conditions behind them

The report has identified information on scheme populations and selected operational measures, but no consistent measure of market-wide emergency capacity.

A public-sector pensions stakeholder described a related visibility problem in a locally administered setting:

> *"It's not that the risk and those mitigations aren't there per administering authority, it's that the mechanism to actually pick that up and display that on a national level hasn't been there because previously there hasn't been the appetite. So that's something that we're now trying to think around how can we build that [...] transparency on a national level."*
>
> *-Public sector stakeholder*

[175] TPR (2023b)
[176] DWP (2025b)
[177] FCA (2026)
[178] FCA (2026b)
[179] FCA (2026c)
[180] TPR (2025d)

The stakeholder's account illustrates a distinction between risks being managed locally and sufficient information being available to assess them across connected arrangements. Individual assessments may not identify common suppliers or competition for recovery capacity, although this interview does not establish how widespread those exposures are. The finding therefore supports examining what can be understood at market level, rather than assuming that scheme-level reporting provides a complete picture of resilience.

A focused monitoring framework could combine existing information with selected additional collection. The indicators below could be proposed for consideration.

Figure 4.3

Area	Potential indicators	Availability and interpretation
Service deterioration	Age of outstanding cases, delayed payments, recurring errors, and unresolved complaints	Some information is held in service reports. Comparable analysis would require consistent definitions and allowance for case complexity
Workforce and capacity	Vacancies in critical roles, experienced staff turnover, committed implementation work, and available specialist support	Likely to require additional confidential collection. Headcount alone would not show usable capacity
Concentration and dependencies	Memberships and schemes by administrator, shared critical suppliers, and services with few substitutes	Would require linking provider and supplier information. Separate brands may share ownership or infrastructure
Recovery readiness	Scope and results of exercises, time to restore essential functions, and overdue corrective actions	Test records may exist locally. Comparisons would need to account for scenario severity and services included
Transfer readiness and access	Demonstrated data extraction, unresolved benefit documentation, credible bids, and implementation lead times	Could draw on procurement and transition evidence. Reported readiness would still depend on conditions at the time of disruption

The collection method would influence what could be concluded. A voluntary exercise might provide early insight but omit organisations facing the greatest difficulties. Mandatory collection could improve coverage while increasing reporting costs and requiring a clear purpose for each item.

Indicators also need to be interpreted together. More reported incidents can reflect better detection; a growing backlog can reflect a temporary project rather than deteriorating underlying capacity. A successful recovery test provides evidence about the scenario examined, not a prediction that all disruptions can be managed.

Monitoring would be most useful where it informs a decision: closer supervision, additional investigation, support for remediation, or preparation for shared disruption. Publishing sensitive provider-level information could create security or commercial risks, so some analysis may be better undertaken confidentially, with aggregate findings used to inform the wider market. Administrators and scheme governing bodies already hold much of the relevant operational information, while regulators or industry bodies could potentially support more consistent reporting and analysis across the market, subject to their respective responsibilities and access to data. This could help identify risks that may not be apparent when individual schemes or providers are considered separately.

Summary

A resilient market needs reliable everyday services and credible arrangements for exceptional disruption

- **Serious administration disruption can arise without an administrator becoming insolvent.**
  Its consequences depend on the services affected, the duration of the incident, and the information, systems, and expertise that remain available.
- **Existing duties, contracts, and continuity arrangements provide important protections.**
  Their practical strength depends on whether organisations can use them under pressure, fund the response, and maintain essential services while recovery or transfer takes place. An alternative provider is a credible option only where it can accept and implement the work.
- **There is evidence of tested arrangements and learning from incidents, alongside gaps in assurance and supplier testing.**
  The research does not establish readiness across the market or show that smaller schemes are uniformly less prepared. Access to expertise, workable decision making, and tested support are more informative than size alone.
- **Over the next five to ten years, resilience will depend on how commercial investment, workforce capability, data, and technology support dependable member service.**
  A more resilient market would combine sustainable everyday administration with clear responsibilities, usable information, tested recovery, and realistic alternatives when existing arrangements can no longer continue.



CONCLUSION:

MANAGING CHANGE AND STRENGTHENING PENSIONS ADMINISTRATION

Delivering better member outcomes will require more than structural and technological change

The central finding of this report is that the future of pensions administration will depend less on any single reform, technology, or operating model than on whether the market can accommodate multiple changes while maintaining reliable services for members. Consolidation, pensions dashboards, changes to DB provision, public-service reform, and stronger regulatory expectations are altering where, when, and how administration work is undertaken. These developments offer opportunities to improve services and use resources more effectively, but also create transition, remediation, and implementation demands alongside continuing obligations to members.

Across the research, capacity emerges as a question of capability and availability rather than headcount alone. Administrators need sufficient specialist knowledge, usable information, management attention, and supporting organisations to undertake work when it is required. Commercial sustainability is closely connected to this capability. Investment in systems, data, cyber security, and workforce development generally needs to be financed before its benefits are realised, while providers' commercial preferences influence which schemes they are willing to serve. Stronger regulatory expectations can support investment and improve oversight, but implementing new requirements also draws on resources needed for existing services. These pressures differ across in-house, third-party, and provider-based administration, and across DB, DC, and public-service arrangements. Greater scale can support investment and shared expertise without necessarily establishing the availability or quality of service.

Technology is likely to change the nature of administration work rather than remove the need for specialist expertise. Greater automation and more connected digital services could reduce repetitive processing and allow staff to concentrate on complex cases, member communication, and oversight. However, these benefits depend on reliable data, documented benefit rules, effective implementation, and sufficient capacity to investigate exceptions. Automation may also reduce opportunities for less experienced staff to develop technical knowledge through routine calculations, increasing the importance of alternative approaches to training and knowledge transfer. The same technological integration that supports more efficient services can also increase dependence on shared platforms and suppliers, creating additional considerations for operational resilience.

Member focus

For members, the significance of these developments will depend on whether they improve the accuracy, accessibility, and timeliness of administration. Faster routine processing and greater digital access may improve the member experience, but this does not necessarily translate into better outcomes, particularly for members with complex circumstances, unresolved cases, or additional support needs. Reduced contact volumes or higher automated completion rates may coexist with delays elsewhere in the service. Assessing improvement therefore requires attention to end-to-end resolution, outstanding work, errors, and the availability of effective support across different member journeys, rather than efficiency measures alone.

These dependencies become particularly important during disruption. Contracts, continuity plans, and formal accountability provide important protections, but their effectiveness depends on whether organisations can access the information, expertise, systems, and resources needed to maintain or restore essential services. This includes usable member records, documented benefit specifications, and calculation routines that can be operated or recreated when normal arrangements are unavailable. Recovery and transfer also depend on timely decisions, available funding, and suitably skilled personnel. The existence of alternative administrators does not establish that they could accept additional schemes at short notice, particularly where several organisations are affected by the same incident or rely on common suppliers. The research therefore identifies a distinction between preparedness within individual schemes and the wider market's ability to manage simultaneous disruption.

Figure 5: Implications of the research for different market participants

Audience	Implications and potential responses	Trade-offs and limitations
Trustees and scheme managers	Assess administration through service outcomes, including the resolution of complex cases, support for members with additional needs, data quality, supplier dependencies, and tested continuity arrangements. Consider the practical feasibility of recovery or transfer alongside contractual protections.	Assurance and contingency planning require resources. Individual schemes may have limited visibility of shared market dependencies or available emergency capacity.
Administrators and providers	Consider how investment, implementation, and workforce development are resourced alongside existing services. Maintain access to benefit knowledge, effective member support, and information about critical suppliers.	Automation and shared platforms may improve efficiency but require investment, specialist oversight, and management of common operational risks.
Employers and advisers	Support the timely provision and correction of payroll, employment, and benefit information, and the specialist decisions needed during transitions, remediation, and disruption.	Additional checking and coordination create near-term demands, while delays or incomplete information can increase later administration costs and processing times.
Industry bodies	Explore opportunities for consistent reporting definitions, shared training resources, transition standards, and learning from operational incidents and recovery exercises.	Voluntary participation may limit coverage and comparability. Information sharing does not itself provide committed emergency support or additional capacity.
Government and regulators	Consider how comparable information and existing or potential oversight arrangements could help identify persistent service risks, critical dependencies, and constraints on market-wide resilience.	Additional reporting and oversight involve questions of proportionality, confidentiality, regulatory responsibilities, and implementation costs. Greater visibility does not itself create delivery capacity.

Many administration challenges require coordinated responses across the market

Several of the implications in Figure 5 cut across stakeholder groups and require coordinated responses. Improving data quality depends on administrators, schemes, and employers maintaining accurate and timely information, while effective implementation of reform requires alignment between policy development, scheme decision making, and operational delivery. Workforce capacity and specialist knowledge are also shared concerns, particularly where organisations compete for similar skills or depend on common suppliers. Similarly, operational resilience cannot be assessed solely at the level of individual schemes or administrators, as disruption to shared technology providers or limited alternative administration capacity may have wider consequences. These interdependencies suggest that improvements in administration will depend not only on action by individual organisations, but also on coordination, information sharing, and a clearer understanding of risks across the market.

Comparable information and data could improve understanding of market-wide risks

A further finding is that the pensions administration market faces a visibility challenge alongside pressures on capacity. Available information provides a stronger picture of the populations served than of spare operational capacity, usable emergency transfer capacity, administrator profitability and margins, competitive conditions, service performance, the extent of technology transformation, or preparedness for administrator failure. These gaps limit assessments of whether the market could absorb additional demand or major disruption, but do not, in themselves, demonstrate insufficient capacity or poor performance. Figure 4.3 identifies indicators that could improve understanding, including unresolved cases and payment delays, specialist workforce capacity, concentration among administrators and critical suppliers, recovery testing, and the practical feasibility of transferring administration.

Much of this information is already held, in different forms, by administrators, pension providers, and scheme governing bodies. Common definitions and reporting arrangements could improve comparability, while collecting information consistently over time could help identify trends, emerging pressures, and persistent vulnerabilities that may not be apparent from individual reporting periods. For example, longitudinal evidence on unresolved cases, payment delays, specialist workforce capacity, and supplier concentration could help distinguish temporary fluctuations from more sustained risks to service delivery. Industry bodies may be able to support voluntary information sharing, while regulators could consider more systematic collection or analysis within their respective remits. Such information could inform scheme procurement and oversight, support earlier identification of operational pressures, and help assess whether alternative capacity would be available following disruption.

The value of additional information would nevertheless depend on its quality, coverage, consistency over time, and interpretation. Case complexity, differences in service models, and the scope of recovery exercises can affect comparisons, while changes in reporting definitions or market coverage could make trends difficult to interpret. Voluntary reporting may also provide an incomplete picture of the market.

The future of pensions administration will ultimately be shaped by how effectively these connected pressures are managed. Structural reform and technological development can change where services are delivered and how work is undertaken, but their contribution to better outcomes depends on the resources, expertise, and operational arrangements supporting implementation. Over the next five to ten years, the central challenge will be to translate these changes into administration that remains accurate, accessible, and resilient for members, including when circumstances fall outside routine processes.

Appendices

Appendix 1

Research methodology

This research combines a desk-based review of published evidence with qualitative stakeholder interviews to examine how structural, regulatory, and technological developments may affect UK pensions administration over the next five to ten years. It considers private and public-service pensions, Defined Benefit (DB) and Defined Contribution (DC) provision, and administration delivered by in-house teams, third-party administrators, and pension providers. The desk-based review draws on government, regulatory, and industry publications, together with available information and data on schemes, memberships, services, and administration providers.

Stakeholder interviews gathered perspectives from third-party administrators, in-house administration teams, pension providers, public-service pension schemes, technology suppliers, advisers, trustee-related organisations, and government and regulatory bodies. Eleven semi-structured interviews involving 21 participants were conducted, comprising a mix of individual and group discussions. A flexible discussion guide, aligned with the research questions, was used to explore capacity, commercial sustainability, reform implementation, technology, member services, and operational resilience.

Interview findings were analysed thematically to identify common themes, recurring issues, and differences in perspectives across stakeholder groups. Interviews were conducted on a non-attributable basis, with quotations in the report identified by broad professional or organisational role.

Interview data was analysed alongside the published evidence to identify recurring concerns, differences between market segments, and examples of how particular organisations have responded to change. The analysis distinguishes reported experience from anticipated benefits, proposed responses, and wider risks. Individual accounts are used to illustrate practical mechanisms or contrasting experiences rather than as estimates of how common a problem or approach is across the market.

The evidence is subject to important limitations. Published statistics cover different scheme populations, delivery models, and measures of activity, restricting comparisons of performance and capacity. Interview findings reflect the perspectives and circumstances of those consulted and cannot establish market-wide prevalence, commercial performance, or preparedness for disruption. In particular, the absence of consistent market information limits assessment of emergency administration capacity and the extent to which technology investment has improved members' outcomes.

No administrator directly responsible for operating a Collective Defined Contribution (CDC) arrangement was interviewed for this research. The analysis of conventional DB and individual DC administration therefore does not establish how CDC-specific calculations, transactions, and benefit-adjustment processes are delivered in practice. References to those requirements draw on published regulatory material rather than first-hand CDC administration evidence.

No representative of a DB consolidator was interviewed for this research. The discussion of the administrative implications of DB consolidation therefore draws on published evidence and the perspectives of other stakeholders, rather than direct operational evidence from a consolidator.

Appendix 2

Additional background on pensions administration structures

The main report concentrates on how administration operates across different arrangements. The following distinctions provide further context for the allocation of responsibility without implying that any scheme structure prescribes a particular delivery model.

DC master trusts are occupational schemes serving multiple unconnected employers. The trustee board has responsibility for the scheme's governance, with commercial and operational arrangements supporting its delivery.[181] Public-service schemes operate under statutory frameworks: scheme managers are responsible for their administration, while locally administered schemes such as the LGPS involve administering authorities and participating employers. Pension boards provide additional support and assurance where applicable.[182]

An insurance buy-in is a policy held by a DB scheme, whereas under buy-out the insurer assumes direct responsibility for the covered members' pensions. DB consolidation can also take different forms, including master trusts, multi-trust arrangements, and superfunds. These structures affect which organisation commissions or ultimately undertakes administration and when member records and benefit specifications must be transferred.[183]

For contract-based workplace personal pensions, providers are subject to FCA obligations. Independent Governance Committees (IGCs), or permitted Governance Advisory Arrangements (GAAs), provide independent scrutiny of value for money and can raise concerns with the provider. This is not equivalent to trustees directing the scheme's administration or the provider delegating its responsibility for regulated activities.[184]

The phrase "scheme administrator" also has a specific meaning for pensions tax purposes under Part 4 of the Finance Act 2004. The person holding that statutory role, responsible for prescribed pension tax functions, need not be the organisation undertaking daily record-keeping, calculations, and member services. The distinction helps avoid confusing statutory tax duties with operational administration.[185]

Appendix 3

Regulatory and industry responsibilities

Government sets the policy and legislative framework. DWP covers private pensions policy, while HM Treasury has responsibility for pensions tax and public-sector pensions policy. Within public-service provision, the responsible authority establishes the scheme rules, separately from the scheme manager's day-to-day administration responsibilities.

TPR regulates occupational schemes and specified governance, and administration matters for public-service schemes. The FCA regulates personal pension providers and relevant conduct activities, and the PRA provides prudential oversight of insurers. HMRC administers pension tax requirements. The relevant duties depend on the scheme, regulated firm, and service rather than on a simple in-house versus outsourced distinction.

PASA develops voluntary administration standards and guidance and operates an accreditation framework. These provide benchmarks for administration practice, but do not replace statutory requirements, regulatory supervision, or the governing body's scrutiny of actual member service.

[181] TPR (2018)
[182] TPR (n.d.b)
[183] TPR (2025c)
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PENSIONS POLICY INSTITUTE

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