The pensions derisking market in 2025: key themes from a busy year

In another active year for the pensions derisking market, we've seen pensions administration move further to the fore as trustees and sponsors recognise the part we play in successful transactions.

The total value of buyouts and buy-ins was less than forecast in 2025 and looks like settling at about £40 billion compared with expectations for £50 billion or more at the start of the year.

But that doesn't mean the market was quieter. The total for bulk-purchase annuities is lower because of fewer big deals than expected, but opportunities for smaller schemes to secure member benefits opened up and kept trustees and providers busy. Several new insurers also entered the market, increasing competition and bringing fresh ideas.

At Aptia, we smooth the process and help our clients avoid pitfalls at every step, from early-stage planning, through data preparation, pricing and implementation. And next year we plan to introduce an end-to-end service covering advisory, market review and overall management of the settlement process.

From an administrator's perspective, it was a positive year. Aptia worked on 36 transactions in 2025 and we see a strong demand and pipeline of activity into 2026 and beyond.

Here are some of the trends we encountered in 2025:

Increased competition and urgency

The derisking calendar year usually heats up in the final quarter as trustees and insurers seek to get transactions over the line, and we have certainly seen that again in the final few months of 2025 as insurers have looked to meet their targets. That has resulted in pricing opportunities for schemes of all sizes.

Regardless of total transaction values, the pace and level of interest in exploring derisking options was high throughout the year, and from day one. Capacity has been a key topic – not just at administrators but also at insurers.

In many transactions there has been a desire from one or more parties to enter into an exclusivity arrangement, which can support a quicker path to transaction. This increases the importance of the administrator because, for example, we have the primary role in data readiness, remedial activity and assurance.

Greater involvement for the administrator

If you ask any bulk purchase insurer how to speed up a transaction and avoid nasty surprises, they will tell you to bring in your administrator at the start and put them at the centre. Yet we have continued to see some advisers using triennial valuation data to get trustee support for a transaction and to approach the market for pricing.

But that data lacks the detail insurers need to price effectively. This can lead to delays if administrators are brought in at the last minute to provide fresh, additional or rectified data. And it can significantly harm timescales, increase adviser costs and mean that pricing windows or guaranteed pricing expires. Ultimately this can derail derisking plans.

With Aptia's increasing voice in the market and the Pensions Regulator driving a greater awareness of data, this year continued the trend of more trustees involving us early in the process and understanding what we can do to give insurers the assurance they need about the scheme's data and benefits. Involving your administrator early is positive for all parties in assessing data quality and remediation requirements and avoiding surprises and disappointment at later steps.

Take the example of the Ford pension funds' £4.6 billion buy-in with Legal & General. Denise Fisher, Ford's UK Pension Manager, brought Aptia in much earlier than on the schemes' previous buy-in and says the result was dramatically different. Here's what she had to say:

"Aptia has participated in all working group meetings, they were completely engaged with the project, they understood the bigger picture and were therefore ready for every task that required their input.?They provided data extracts for the insurer, answered numerous data and benefit queries, conducted marital write outs and contributed to the production of benefit specifications. The result has been a tremendous success. Aptia has played an important role in this significant transaction for schemes that they look after and care about."

But not all projects have been so orderly, and about one in five of the transactions we worked on this year still had last-minute requests that caused unnecessary stress and extra cost for all concerned. We have received several requests in 2025 to turn data around in between one and three days from a cold start, and in one case the deal was at very real risk of falling through if we hadn't rescued the situation on the same day.

GMPE can still be a barrier

It's now more than seven years since the High Court ruled that pension schemes should address inequalities arising from Guaranteed Minimum Pensions for men and women. But many schemes are yet to start or are still working their way through Guaranteed Minimum Pension Equalisation (GMPE), and lack of progress can cause delays to insurance transactions.

Advisers still sometimes assume that GMPE calculations and the data needed for a derisking transaction can be prepared separately or in parallel, but they are inescapably interlinked, And without proper planning, data gaps and inconsistencies can be a problem. For example, GMPE work often progresses on the assumption that contingent spouse's benefits (or population of missing spouse benefits) are out of scope. At Aptia, we plan and help trustees coordinate these activities in the correct order to make sure the final data meets insurer requirements.

If an Aptia scheme has a GMPE project underway and the trustees decide to target an insurance transaction, the first thing we do is review and understand where they are in that process.

The member experience is an increasingly important consideration

Historically, price was often the overriding factor when trustees selected an insurer. But with more schemes in surplus and the entry of further insurers into the market, trustees are taking other factors into account. These include the insurer's long-term strategy, cyber security and, notably, the member experience. Regulatory measures such as the Consumer Duty and TPR's drive for digitisation have contributed to this trend.

We see an increasing level of paternalism, particularly with small scheme transactions. For example, we recently dealt with a trustee whose father had founded the business and established the pension scheme – and the trustee wanted members to get the same care they received from his father. Another trustee of a small scheme said he was in touch personally with all the scheme's members for many years and that they had been able to contact him personally with any problems.

The result is that we are having more conversations than ever with trustees and insurers about the service and care we can provide for members after the transaction completes. At Aptia, we have invested heavily in member experience (through buy-in or buyout where we are the administration provider). We work closely with our clients on simpler communications, digital processes and utilising the Aptia App – plus investing in and training our colleagues to provide a specialist, empathetic service long into the future once trustees and sponsors step back.

Smaller schemes need more support

As I've already discussed, one of the features of the year was the number of smaller schemes coming to the market, often driven by favourable funding positions that have only been a feature of the past few years.

As an administrator, we often play a larger and more important role when smaller schemes are preparing to derisk. They don't have large budgets for teams of advisers and typically haven't been preparing as long. Administrators can help those schemes plan the most efficient way through the process based on their day-to-day working knowledge of the scheme benefits, data, governance and membership.

Lessons for 2026

We know that many Aptia clients are targeting transactions in 2026, and we expect another very busy year across the market. Here are our key points for trustees looking to buy in or buy out in the near future:

- Involve your administrator at the start of your plans – we understand your scheme, data and membership intimately so we should be at the centre of the planning and delivery processes
- Remember that clean data is vital for an orderly, cost-effective transaction, and getting data right can take time
- Make as much progress as you can on GMPE alongside your derisking plans – they are intertwined. Ensure this is coordinated and leaves no gaps
- Think about what happens after the transaction – are you happy with the services and level of care your members will receive long into the future?

There are many potential hurdles on a derisking journey, but if you think ahead you will minimise the stress and maximise the benefit for your members. Our derisking team will be here, alongside our new consulting and advisory capability, to support you through 2026 and beyond.

Image
UK insight

[View PDF](#)
[Insights](#)
Author
[Terry Wharton, Head of Projects](#)
Author photography
Image
Terry-Wharton