

The changing pensions landscape - what are trustees prioritising?

As part of our recent Showcase event, we brought together a panel of experienced Professional Trustees to discuss the challenges, opportunities and responsibilities shaping pension schemes today. The discussion offered a candid view of what is keeping trustees awake at night and where the industry should be focusing in the years ahead.

One theme came through clearly: trustees are operating in an environment of unprecedented complexity. Yet despite this, their fundamental objective remains unchanged - every decision must deliver better outcomes for members.

The challenge of keeping pace

Trustees are navigating an expanding regulatory landscape, from the new funding regime and General Code requirements to investment reforms and emerging policy changes. At the same time, schemes continue to manage broader risks, including liquidity pressures in liability-driven investments and potential liabilities linked to historic compliance issues.

For Professional Trustees, staying abreast of developments is a fundamental part of the role. However, the panel voiced growing concern for lay and member-nominated trustees, who may not have access to the same level of support, training and specialist expertise.

There is also a wider issue at play. Each new regulatory requirement, however well intentioned, increases demand on scheme resources and governance budgets. Trustees must continually balance compliance with a focus on what matters most - members. Communicating these changes in a way that is clear, relevant and meaningful remains a persistent challenge, particularly for individuals who may have little interest, or understanding, of pension legislation.

Administration remains fundamental

Administration is critical to member outcomes. It's where pension promises are delivered in practice. While advances in technology have improved efficiency, trustees face increasing expectations around service quality, member experience, data accuracy and operational resilience. Schemes must balance the demands of day-to-day administration with an increasingly complex programme of regulatory and strategic change. Importantly, trustees retain ultimate accountability, even where services are outsourced.

As a result, the role of administration is evolving. It is no longer purely transactional, but a strategic partnership. The combination of operational excellence, technology, expertise and change capability is becoming central to how schemes deliver improved outcomes for members.

The debate around administration regulation

Stronger regulatory oversight may help raise standards and give trustees greater leverage in addressing service issues. However, there is understandable caution about introducing further layers of regulation into an already complex environment.

A more effective approach may be the development of frameworks that encourage transparency enabling administrators to share performance information, best practice and emerging risks. This would give regulators greater insight while helping to shape future standards.

The panel also recognised that market forces alone may not always drive improvement. While trustees have options when service levels do not meet expectations, changing administrators can be costly, complex and carry significant risks, particularly for larger or more complex schemes. As a result, trustees focus on building strong partnerships with their administrators and working collaboratively to drive improvements and deliver better member outcomes.

AI presents both opportunity and risk

When considering whether AI should play a bigger role in scheme governance and member communications, the trustees broadly agreed that it should but with important caveats.

AI is already influencing member decision-making. Increasingly, individuals are using it to interpret pension communications and seek guidance on retirement planning. Whether the industry embraces AI or not, members are already engaging with the technology.

AI-generated information is not always reliable, and the trustees reported seeing examples of members relying on inaccurate or misleading information. However, they felt AI presents a significant opportunity to improve member engagement and financial understanding.

There is a clear role for the industry in shaping how AI develops within pensions. Collaboration between trustees, administrators and providers will be essential if it is to deliver better member outcomes. Crucially, technology should enhance - not replace - human interaction, particularly at key decision points.

Looking ahead

A key concern for the future is member adequacy. Many individuals are at risk of reaching retirement without sufficient savings, making it essential to improve financial literacy, encourage higher contribution rates and support better retirement planning.

The panel also highlighted the need for a greater focus on vulnerable customers. An increasingly ageing population coupled with rising levels of cognitive and health-related conditions, means schemes must identify and support members needing additional assistance. Vulnerability extends beyond formal definitions to include financial hardship, health challenges and barriers to accessing information.

A clear and consistent focus

Trustees today are balancing regulatory change, operational pressures, technological innovation and growing member expectations, often simultaneously. Yet despite these challenges, there is a clear sense of purpose.

Whether the discussion centres on administration standards, the role of AI or improving pension adequacy, the underlying question remains the same: how can we deliver better outcomes for members?

That focus continues to guide trustee priorities and will continue to shape priorities as the industry navigates the opportunities and challenges ahead.



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