HYMANS # ROBERTSON

Private & Confidential
The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF

strategyconsultation@tpr.gov.uk

5 June 2026

Dear all

Response to The Pension Regulator's Corporate Strategy Consultation Draft

We welcome the opportunity to respond to The Pensions Regulator's (TPR) consultation on its refreshed Corporate Strategy, on behalf of Hymans Robertson LLP.

We support the shift towards a more outcome-focused, system-wide approach, with an emphasis on delivering sustainable retirement incomes and better value for members. This reflects the evolving challenges facing the pensions system and the need to focus more directly on the outcomes savers experience. We have also considered areas where the strategy could go further.

Across our response, we focus on several core themes. These include strengthening the ambition from sustainability to include adequacy, resilience and fairness, ensuring the system is designed end-to-end to deliver good member outcomes, embedding value for money as a central principle, and recognising the growing importance of decumulation and risk pooling solutions. We also highlight areas where TPR could take a more active stewardship role, particularly in balancing benefit security with long-term growth, supporting the defined benefit (DB) endgame, and reinforcing the role of employers and the wider pensions system in delivering better outcomes.

We recognise that TPR already has a strong focus on many of the areas in our response. In calling them out here we are emphasising the areas where we think the most strategic value lies for members.

Thank you for including us in your early consultation engagement on 19 May ably hosted by Patrick Coyne. What follows is our detailed response to each of your specific questions. We hope you find it helpful and would welcome the opportunity to discuss it further.

This response reflects the views of Hymans Robertson LLP, informed by our experience advising a wide range of employers, trustees and pension schemes, alongside our wider policy work on retirement adequacy, collective provision and the long-term role of pensions in the UK economy, and prepared with input from across our business.

Yours sincerely

Calum Cooper, Head of Pension Policy Innovation
For and on behalf of Hymans Robertson LLP

DDI 07990 823 762
calum.cooper@hymans.co.uk

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

We support the ambition of people having a sustainable income in retirement. This reflects a clear shift away from a focus on savings accumulation towards outcomes that matter for members.

We have considered ways in which the vision could be strengthened.

First, we see an opportunity for TPR to move beyond a focus on sustainability alone to explicitly include adequacy and resilience. A retirement income that is sustainable but insufficient to meet people's needs is not a successful outcome. The strategy recognises this challenge in substance, and we welcome the emphasis on security, value and better member outcomes. Being more explicit about adequacy and resilience would provide a stronger anchor for regulatory priorities. Whilst TPR cannot directly control these factors, you can meaningfully influence better outcomes in collaboration with other industry stakeholders.

Second, we support the system-wide perspective set out in the strategy and believe this could go further in articulating the outcomes TPR seeks across the full saver journey. This includes:

- supporting adequate contribution levels during accumulation.
- enabling investment strategies that deliver long-term value.
- encouraging the development of robust decumulation solutions that provide sustainable, lifelong income.

Making these stages more explicit would help ensure the system is designed end-to-end around delivering retirement income.

Third, we welcome the focus on fairness as a member outcome. We believe the long-term success of the system will depend on fairness not only in access and opportunity but also across generations. There is a significant opportunity to better connect the UK's existing pensions wealth with the needs of both current and future savers. Policies that support intergenerational fairness, for example through collective approaches, the effective use of DB surpluses and enabling DB schemes to continue to play a role, could improve outcomes while supporting wider economic prosperity.

In summary, we support the vision as a strong foundation but would encourage TPR to strengthen it through a more explicit focus on:

- adequacy and resilience alongside sustainability.
- outcomes across the full saver journey.
- fairness, including intergenerational fairness.

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

We agree that these trends identified are central to how the pensions system will evolve over the next five years. The shift towards fewer, larger schemes with stronger governance is both real and important.

We also expect a number of additional trends to become increasingly material over the period to 2031.

First, a much greater focus on member outcomes is likely to emerge, particularly around whether current saving patterns are sufficient to deliver good retirement outcomes. As dashboards are rolled out and the Pensions Commission reports, there will be greater transparency on the gap between current savings and the income people need in retirement. This is likely to drive both policy and market responses, as reflected in wider industry thinking on the need to improve retirement adequacy

Second, we expect to see the re-emergence of risk pooling as an important feature of the system. With many savers unlikely to achieve adequate outcomes through individual defined contribution (DC) approaches alone, collective solutions such as collective defined contribution (CDC) and wider forms of longevity pooling will play an important role in delivering higher, sustainable incomes. Collective solution designs also hold greater potential to address pensions gaps such as the gender pensions gap. We would encourage TPR to be more explicit about its role in actively supporting the development of CDC and other collective solutions as part of this shift.

Third, the interaction between pensions and wider financial pressures faced by households will become more prominent. Cost of living pressures, the need for short-term savings and housing affordability are shaping how individuals engage with pensions. As these challenges become clearer, pensions will increasingly be considered alongside broader financial wellbeing rather than in isolation.

In terms of what matters most, we agree that scale and consolidation are critical enablers of better governance, investment capability and innovation. However, this should be seen as a means to an end rather than an objective in itself.

We would support a stronger focus on decumulation and retirement income design. This is a critical part of the system and, if not well managed, poor decisions at retirement or indeed a lack of decision making can rapidly erode value built up over decades. TPR has an important role to play, alongside the Department for Work and Pensions (DWP) and the Financial Conduct Authority (FCA), in supporting the development of high-quality, well-governed income solutions and protecting members from harmful decisions.

Linked to this, there should be greater emphasis on flexibility and transferability, both at an institutional level and for individual savers. Ensuring that assets and members can move safely and fairly between arrangements will be important as the system evolves.

The strategy could be more explicit about the role of the pensions system in supporting UK economic growth, including expectations around capital allocation and how this aligns with members' interests. Clarity here will be important in maintaining trust.

We also think there is an opportunity to be more explicit about wider systemic risks and how they are reflected within the strategy. This includes both short-term stresses and longer-term structural risks, including those arising from climate change, nature loss and wider environmental pressures. These factors are increasingly material to the long-term economic and market conditions that underpin member outcomes and, as such, should form part of a holistic view of system resilience.

We also believe the role of employers should be fully explored. Employers have been central to the success of automatic enrolment and will continue to play a key role in improving outcomes, particularly as retirement adequacy becomes a more prominent issue. There may be scope for clearer expectations or accountability in this area where there is clear agency risk.

In summary, we agree that consolidation, scale and technology will be central forces shaping the system. However, we would encourage TPR to place greater emphasis on:

- the sufficiency of retirement outcomes and the growing focus on adequacy.
- the role of risk pooling and collective solutions, including CDC.
- decumulation and retirement income design as core determinants of outcomes.
- the role of employers and the wider economic context.

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

We recognise that TPR is already evolving its role from a traditional regulator towards a more active steward of the system. This direction is welcome.

We see four priority areas where a more active and targeted role could have the greatest impact.

Driving better retirement outcomes
TPR has a clear role to play in shaping the transition from accumulation to retirement income.

This includes setting clearer expectations on decumulation, encouraging innovation in retirement income solutions and promoting effective member engagement. Poor decisions or low engagement at retirement can rapidly erode value built up over decades, so supporting good outcomes at this stage is critical.

Close alignment with the Financial Conduct Authority (FCA) will also be essential. Members increasingly hold pensions and retirement products across both trust- and contract-based arrangements, and a more joined-up regulatory approach will be needed to deliver consistent outcomes.

Accelerating value for money and consolidation
We support TPR's focus on value for money (VfM) and consolidation, but this must be delivered proportionately, with regulatory burden aligned to member benefit.

There is a role for TPR to:

- continue to encourage sub-scale or underperforming schemes to consolidate.
- embed VfM as a practical, outcome-focused test and develop it further to reflect the wider drivers of value, including service and engagement.
- support trustees to make transition decisions confidently, particularly where consolidation is in members' interests.

We also see an opportunity for stronger expectations on employers. As retirement adequacy becomes a more prominent issue, employers will play an increasingly important role in shaping outcomes. Setting clearer expectations that employers should assess whether their pension arrangements deliver adequate, fair and good value outcomes, potentially with accountability at board level, could help drive improvement across the system.

Stewarding the DB endgame
The DB landscape is entering a new phase and requires an evolution in TPR's approach.

We would welcome TPR continuing to support a broader range of endgame options, including buy-out, run-on, superfunds and value-sharing approaches. This should be accompanied by a system-wide view of the implications of these choices, including insurer capacity, third party capital support more broadly and market concentration risks.

TPR is also well placed to engage openly on the future role of system-wide institutions, such as the Pension Protection Fund (PPF). While decisions sit with government, TPR can help frame the strategic questions and their implications for member outcomes and market structure.

There will also be a need for clear guidance on the use and sharing of surplus, recognising the need to balance member outcomes, employer interests and system-wide considerations.

Balancing benefit security with long-term growth

We see this as a key area of policy tension within the system. TPR's current framework appropriately prioritises benefit security, but in practice this can act as a constraint on investment and growth which can undermine in the long term what members can expect to buy with their pension (after tax and inflation).

There is an opportunity for TPR to take a more explicit and active role by:

- being clearer on how it balances security and growth within its decision making.
- supporting investment approaches that improve long-term member outcomes.
- avoiding an overly narrow focus on downside risk where this may limit the potential for better outcomes.

A more balanced approach would help unlock better long-term outcomes while maintaining appropriate member protection.

In summary, we believe TPR can add greatest strategic value by being more explicit and active in four areas: retirement outcomes, value for money and consolidation, stewardship of the DB endgame, and the balance between member protection and long-term value creation.

Conclusion

Overall, we welcome the direction set out in the strategy and its shift towards a more outcome-focused, system-wide approach.

Across the market, we are already seeing material change. In defined benefit (DB) pensions, there is an increasing focus on member outcomes and the role of different endgames. In defined contribution (DC) pensions, there is growing pressure to improve value for money and achieve scale. CDC and risk pooling has the potential to deliver the best of both worlds. Taken in combination, this reflects a wider shift towards a balanced approach: improving member outcomes at a systems level and across time, rather than overly focusing on process and what could go wrong. Clearly this is a delicate balance.

The strategy aligns well with this direction of travel and where we are today in the various DB, DC and CDC markets and more broadly in the UK demographic and economic landscape. TPR's focus on outcomes, value and system coherence is timely and necessary.

To build on this, we would encourage TPR to:

- be more explicit about adequacy, resilience and fairness as core features of good outcomes.
- place greater emphasis on decumulation and retirement income design.
- articulate more clearly how it will balance benefit security with long-term value creation.

Over time, we also see merit in TPR's remit evolving to more clearly support the delivery of good outcomes, not only the avoidance of poor ones.

Consultation response team

Calum Cooper, Head of Pension Policy Innovation – calum.cooper@hymans.co.uk

Paul Waters, Head of DC Markets – paul.waters@hymans.co.uk

Laura McLaren, Head of DB Scheme Actuary Services – laura.mclaren@hymans.co.uk

James Smith, Senior DC Consultant – james.smith@hymans.co.uk