

## DWP publishes consultation on trustees and governance

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### Introduction

Building on its 2023 [call for evidence](#), the DWP has today published a [consultation](#) on trustees and governance in trust-based pension schemes.

### Key points

- The DWP wishes to identify measures that can raise the standards of trusteeship, governance and administration of trust-based workplace pension schemes.
- Recognising that the issues facing trustees vary significantly depending on the size and type of scheme, the DWP is aware that different segments of the market may need different solutions.
- Given the “important role” of professional trustees, the DWP is exploring whether to introduce a mandatory accreditation requirement for them.
- It also considers how it can ensure appropriate standards for pension scheme administrators are in place and enforced.

### Background

The Government has been trying to drive up trustee standards for several years. Given the “evolving and more complex regulatory environment”, a 2023 [call for evidence](#), asked questions about trustee standards, accreditation, and a trustee register. According to the Government’s [response](#), the majority of trustees were regarded as “well-supported, knowledgeable, and hard-working” but it believed there was “space for action”, to ensure that all trustees were able to work effectively.

This was followed up by a WPC [inquiry](#) into DB pension schemes in 2024, which gave various recommendations to the Government in respect of governance. In its response to that inquiry, the Government set out its intention to consult on a framework of accreditation and governance later in 2025.

In the interim, the [Pension Schemes Bill](#) (“PSB”) was published, which will introduce a raft of new measures over the coming years, including DB surplus release, DC Megafunds, guided retirement and VfM resulting in “new and potentially significant decision points” for trustees.

## Good governance for all

The DWP invites views on what the upcoming changes in the forthcoming PSB mean for trustees and explores how trusteeship and governance can “evolve to deliver the best outcome for savers”. Recognising that the issues facing trustees vary significantly depending on the size and type of scheme, the DWP is aware that different segments of the market may need different solutions.

It also explores what other requirements could help trustees deliver on their accountabilities and ensure trustees are able to hold service providers to account, as well as options that could help drive up standards across all levels of trusteeship.

### **Improve or consolidate**

Over recent years, the pensions market has shifted towards fewer, but larger, pension schemes. Recent surveys, conducted on behalf of TPR, have consistently shown that larger schemes have higher standards of governance, in particular investment governance.

The DWP emphasises that all savers should be in well-run, well governed pension schemes regardless of type. Continuing its ongoing message to the DC market, the DWP reiterates its position – smaller DC schemes should look to consolidate “where it is clear their governance and performance cannot match the biggest and best schemes in the market”.

## Professional trustees

Professional trustees are becoming increasingly common, with more than half of DB and DC schemes having a professional trustee on their trustee board in 2025. Schemes’ increasing complexity and maturity are often key drivers for this.

### **Accreditation**

Given the “important role” professional trustees play, the DWP wants to explore whether the Government and TPR should introduce higher requirements for professional trustees and set out on a statutory basis the standards they wish accredited trustees to meet. Any higher requirements would be in addition to the knowledge and understanding requirements which all trustees must meet.

### **Professional corporate sole trustees (“PCSTs”)**

The proportion of schemes with a PCST arrangement has doubled since 2021, with around 20% of DB schemes having appointed a professional trustee as a PCST. The change has been “driven by cost, quicker decision making, addressing difficulties with finding trustees and succession planning, or having a particular project that requires expertise”.

The DWP believes that PCST arrangements can make a “valuable contribution” to scheme governance particularly in schemes where particular skills and/or a more streamlined decision-making approach would be beneficial, for example DB schemes heading towards buy out or DC schemes winding up. However, some PCST governance models may not be suitable for all schemes, and the DWP wishes to consider whether restrictions are needed in some circumstances.

## Provision of other services

Several professional trustee companies additionally offer secretarial and governance services, with some also offering wider services such as administration, investment oversight and endgame services. While there are requirements for trustees under TPR's General Code of Practice in appointing and managing advisers and service providers, the DWP is keen to look at whether further requirements are needed in this area.

## Other areas

The consultation touches on several other areas, including:

- **trustee directory** – the DWP is working with TPR to ensure that it has a complete directory of trustees to support its interaction with schemes and seeks views on the most effective way to monitor and track trustees without “significantly increasing the burden” on TPR, schemes or trustees. There is no intention for the registry to be published publicly
- **diversity** – ensuring diversity of thought on trustee boards is a “key pillar” of good governance and the DWP wants to consider ways to bring more diversity, talent and skills to trustee boards
- **lay (ie non-professional) trustees** – the DWP wants to look at ways to better support lay trustees, such as creating a “one stop” website, which could be used to signpost available resources. While it notes that it does not want to risk discouraging lay or independent trustees by imposing higher standards on them, the consultation asks whether lay trustees should be accredited
- **member views** – it is “important that the voice of the member is heard and considered in the governance of pension schemes” but as there fewer, larger DB and DC multi-employer schemes, new challenges are posed to the traditional MNT model. The DWP is keen to hear about best practice examples of schemes taking appropriate account of their members’ views
- **administration** – following on from TPR’s administration guidance [published last week](#), the DWP also examines how to ensure appropriate standards for pension scheme administrators are in place and enforced. In particular, the DWP wants to ensure that, with the [transition to Megafunds](#) in 2030, there’s parity of regulatory oversight for those providing administrative services to both the contract and trust-based sides of the market so that savers are afforded similar levels of protection.

## Next steps

The consultation closes on 6 March 2026. It will be interesting to see how the Government’s proposals evolve, with some careful navigation needed to help ensure high standards whilst accommodating so many vehicle types.

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