Sackers

TPR publishes new AI guidance

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Introduction

On 29 October 2026, TPR published new guidance (the "Guidance") encouraging trustees of pension schemes to explore how AI could "deliver better member outcomes while understanding and managing risks".

Key points

- Rather than creating a separate set of regulatory requirements, the Guidance is intended to help trustees understand how their existing duties and good governance apply to using AI.
- Trustees remain responsible for decisions affecting schemes and members and should understand where significant AI is being used and ensure appropriate governance and oversight are in place.
- The Guidance focuses on the responsible use of AI to support the running of pension schemes. It does not provide detailed guidance on wider scheme risks related to the use of AI by third parties, such as cyber attacks, scams, or fraud. Trustees should continue to manage those risks through existing cyber and scam controls.
- While trustees do not need to be AI experts, TPR is clear that they need to understand enough to ask the right questions and challenge its use effectively.
- As AI technologies, uses, and regulatory frameworks continue to develop, trustees should keep their approach under review.
- TPR convened a data and digital industry working group which has produced a Jargon Buster to help demystify some of the AI-related terminology.

Background

AI use is growing across financial services and pension schemes. Research this year found that 86% of financial services firms responding reported currently using AI, up from 75% in 2024. In an Aon survey of 61 UK DB pension schemes, 76% reported some use of AI by trustees.

While it has the potential to transform the pensions industry by improving efficiency, value for money and member outcomes, the use of AI introduces and amplifies certain risks, such as cyber security. There are also hidden dangers for members in using freely available AI to help plan for their retirement.

The Guidance is aimed at trustees and scheme managers but may also help pension service providers understand and prepare for the questions trustees are likely to ask. It builds on TPR's AI plan, explaining how existing duties apply to the use of AI and reinforcing its responsible use in members' interests.

Key principles

As AI becomes more capable, the aim should be "to preserve clear human responsibility and effective oversight", without assuming that "every AI-supported process needs the same level of human involvement".

When considering how AI use impacts their work, scheme trustees or managers should be guided by seven key principles.

- **Start with the problem, not the technology:** Use AI to solve real problems and support better member outcomes, efficiency and value for money.
- **Human responsibility remains central:** Trustees remain accountable, even where work is outsourced, and AI should support, not replace, trustee judgement and meaningful challenge.
- **Governance is ongoing, not one-off:** Keep AI risks and controls under review throughout its lifecycle. Oversight and human involvement should be proportionate to the risks.
- **Plan for disruption:** Understand AI dependencies and include them in business continuity planning, so the scheme can keep operating if AI fails or becomes unavailable.
- **Good AI starts with good data:** Use accurate and appropriate data. Trustees / scheme managers should understand its limitations and protect it through effective data handling and data protection arrangements.
- **Transparency and explainability underpin trust:** Consider what members need to understand where AI affects them and be able to explain AI-informed decisions.
- **Support fair and accessible outcomes:** Address bias, reflect vulnerable and digitally excluded members' needs, and ensure outcomes comply with scheme rules.

Importantly, trustees and managers also need to recognise members' own AI use. They should consider providing warnings about the risks of using AI tools and the enhanced risks of fraud, alongside signposting to trusted support and regulated advice.

Next steps

TPR intends to monitor developments and engage with relevant regulators and organisations to help identify emerging risks, share good practice and support a co-ordinated approach where appropriate.

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