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DWP launches call for evidence on TPR's future



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Introduction

On 23 November 2026, the DWP launched a call for evidence seeking views on how TPR's regulatory framework "should evolve for a future pensions market of fewer, larger and more interconnected schemes".

Key points

- TPR has been changing the way it operates, taking a more forward-looking and system-wide view of risk. As pension institutions become larger, "the consequences of problems arising may be greater", while the same service providers may mean risks are no longer confined to individual schemes.
- The DWP is proposing to give TPR a formal statutory role in relation to financial stability, complementing the responsibilities of the Bank of England and the PRA. The precise form of that role is still under consideration.
- Developed for "a market with a different structure and risk profile", TPR's statutory objectives are under review.
- The DWP is exploring various other issues, including whether TPR should be able to intervene earlier, including before a breach or saver harm has occurred, how to ensure TPR has access to the right information at the right time, and whether its existing enforcement powers and penalties remain an "effective deterrent".
- The review is part of a wider programme of reform in light of the PSA26, many of the measures under which are aimed at a market comprising fewer, larger and better-run schemes.

Background

TPR was established in 2005 and was intended to be a more proactive and risk-focused regulator than its predecessor. TPR's current objectives include:

- protecting members' benefits
- promoting good administration
- supporting automatic enrolment compliance, and
- in relation to schemes, minimising any adverse impact of scheme funding on employers' sustainable growth and reducing calls on the PPF.

The DWP last reviewed whether TPR remains fit for purpose in 2023. In its 2026 corporate strategy, TPR set out how it is meeting the demands of a changing pensions landscape by taking a more "forward-looking, risk-based, system-wide and proportionate" approach. But operational and regulatory change can only take place within TPR's existing statutory framework, "much of which was designed for a pensions market very different from the one now emerging".

As automatic enrolment matures, coupled with reforms under the PSA26 (including scale measures, automatic consolidation and the VFM framework), the market is expected to shift to fewer, larger schemes managing a greater share of assets. Within 10 to 15 years, DC assets are expected to exceed DB assets, and there could be 10 to 20 DC megafunds, each holding at least £25 billion.

Areas being explored

Against this backdrop, the DWP is considering the future regulatory framework across a number of connected areas:

- **statutory objectives** – whether TPR's current objectives remain appropriate, and what role member outcomes, innovation, competition and growth should play, alongside a planned new statutory role for TPR in relation to financial stability (see below)
- **supervision and early intervention** – how the framework can be strengthened to identify and address emerging risks earlier, before they crystallise in a more complex and consolidated market. This includes whether TPR should be able to act on significant risks before a breach or saver harm has occurred, and where the framework may need to evolve as the market becomes more interconnected
- **information and data** – how TPR can access the data, intelligence and analytical capabilities it needs to identify, monitor and respond to risks effectively. As some existing reporting is retrospective, the focus is less on collecting more information and more on TPR having the right information at the right time, including the ability to identify risks across multiple schemes
- **penalties and enforcement** – how TPR's intervention, enforcement and penalties framework should evolve to remain effective and proportionate. Acknowledging that TPR's enforcement toolkit has been "significantly strengthened" in recent years, the focus is on whether penalties remain an "effective deterrent" in a more concentrated market, and whether TPR has suitable levers where formal enforcement would be premature
- **regulatory flexibility and rule-making powers** – whether greater regulatory flexibility is required to enable requirements to "keep pace with change". While many future challenges could be met through more

proactive supervision and existing powers, more adaptable mechanisms may help where technical or operational requirements need to change over time.

Financial stability

Perhaps the most significant proposed shift in responsibilities is the proposal to give TPR a "formal statutory role" in relation to financial stability. This follows the Bank of England's Financial Policy Committee's ("FPC") 2023 recommendation, made after the LDI-related dysfunction in the long-dated gilt market in autumn 2022, that TPR should have the remit to take financial stability considerations into account on a continuing basis.

The FPC will remain the UK's macroprudential authority, but the DWP considers that TPR's insight can help identify and address risks arising from the pensions sector. The precise form of the role is still under consideration. The DWP is also asking whether larger DC trust-based schemes may give rise to different financial stability considerations from DB schemes.

AI and cyber risk

Finally, the DWP is also keen to hear what developments in technology, innovation or business models, including the increasing use of AI, are likely to create new opportunities (and risks) for pension schemes, and how the future regulatory framework should develop to "enable beneficial innovation" while ensuring emerging risks, including cyber risks, can be effectively managed.

Next steps

The call for evidence closes on 21 December 2026. Any significant changes to TPR's objectives and powers, including the proposed new financial stability role, are likely to require primary legislation, so change is unlikely to happen quickly.

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