PRESS RELEASE

FOR IMMEDIATE RELEASE – WEDNESDAY 11 NOVEMBER 2026

Pensions administration faces resilience test as reform and technology put services under pressure

The Pensions Policy Institute (PPI), the UK's leading independent authority on pensions and retirement policy, has published new research today concluding that the future of pensions administration rests on its ability to adapt to a wave of ongoing sector changes while maintaining services for members.

The report, **'Evolving Pensions Administration Market: Opportunities and Risks',** sponsored by the Pensions Administration Standards Association (PASA), also states that capacity for everyday administration does not necessarily demonstrate readiness to absorb major change or technological disruption. Technology is likely to change the composition of administration, rather than remove the need for specialist administration expertise, the analysis adds.

The research explores whether the sector can deliver change and withstand disruption while protecting the services members rely on. It highlights that the market's ability to absorb an emergency transfer cannot be assumed.

Investment in new systems, automation or AI does not, by itself, demonstrate improved processing or better member service, the research also finds.

Analysis from the investigation additionally highlights that more memberships were being administered across fewer schemes between 2024 and 2025, with the number of occupational DC and hybrid schemes with at least 12 memberships falling by 15%, while DC memberships within those schemes increased by 7%. Reflecting ongoing market consolidation, the report therefore underlines that fewer pension schemes do not necessarily mean less administration.

The study concludes that the future of pensions administration will be shaped not simply by how much the market changes, but by how reliably those changes can be translated into services that continue to deliver members' benefits and information when they are needed.

Examining pressures arising from consolidation, pensions dashboards, changes to DB provision, reforms affecting public service schemes, and evolving regulatory expectations, the PPI report delivers new independent insights to the evidence base, bolstering informed policy decision-making.

Other key findings include:

- **Specialist people remain essential.** Automation may take on more routine processing, while complex cases, member communication and checking automated or AI-generated outputs continue to require expertise and effective oversight
- **Connected systems bring opportunities and dependencies.** Greater integration can improve services, but dependence on shared systems and suppliers makes transferable records, clear responsibilities and effective recovery arrangements increasingly important
- **The order and pace of change matter.** Successful administration will depend on sequencing and resourcing projects, retaining and sharing specialist knowledge, improving data usability and maintaining essential services throughout

Shantel Okello, PPI Policy Researcher and lead author of the report, stated: "Pensions administration is changing, but members still need their benefits paid accurately, and their questions answered when it matters. Automation and better-connected systems have the potential to improve services, but introducing technology is not the same as demonstrating a better experience or improved outcomes for members.

"The challenge is to invest in data, systems, and specialist people while protecting day-to-day services and preparing for disruption. As the sector faces a crossroads, the PPI is proud to deliver independent, evidence-

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led research on the future of the UK pensions administration market, with particular thanks to PASA for sponsoring this work."

David Fairs, Chair of PASA, commented: "Every reform eventually reaches an administrator's desk. Turning policy ambitions into a service members can rely on takes skilled people, usable data, robust systems and time.

"This research challenges some comfortable assumptions. Fewer schemes do not automatically mean less work. More technology does not automatically mean better service. And capacity to manage today's workload does not tell us whether the market could absorb a major provider failure tomorrow.

"Technology and AI have real potential to improve consistency and member service, but they won't remove the need for skilled administrators. Their expertise and judgement will remain essential to resolving complex cases, supporting members and making sure automated processes deliver the right results.

"For PASA, the priority is making these findings useful: helping those commissioning, overseeing and delivering administration ask better questions about capacity, dependencies and continuity. Members need their pension paid and their questions answered, whatever else is changing around them."

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About The Pensions Policy Institute (PPI)

The Pensions Policy Institute (PPI) is the UK's leading independent authority on pensions and retirement policy. We conduct rigorous, impartial research to inform major policy decisions affecting millions of people's retirement security. Our evidence-based analysis is used by government and across Westminster – as well as industry and consumer groups - with extensive media coverage bolstering understanding of complex pension issues. Our work ensures that policymakers have the unbiased analysis needed to deliver better outcomes for those they serve.

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