

The Society of Pension Professionals (SPP) response to The Pensions Regulator (TPR) enforcement strategy consultation 2025

1. Introduction

- 1.1. The Society of Pension Professionals (SPP) agrees that TPRs existing approach to enforcement has delivered important outcomes, but that like TPR we recognise the need for this strategy to now adapt.
- 1.2. We therefore welcome the proposed new TPR enforcement strategy and particularly support TPR's focus in shifting from outputs to delivering real-world improvements in saver outcomes.
- 1.3. The SPP recognises that this is the overall strategy and that much of the detail sits in the underlying policies, which limits our comments given the underlying policies are yet to be reviewed. Nevertheless, we hope the below is helpful and would be happy to meet with TPR officials to discuss any of this separately if that would be useful.

2. Consultation response

- 2.1. Although SPP supports the broad thrust of the proposed changes, we believe that there are some areas where unintended outcomes could arise and where further clarification would be helpful. For instance, early intervention powers may lead to disputes if thresholds for action to move from regulatory engagement to enforcement are unclear. Similarly, increased reliance on data-driven decisions could amplify bias if data quality is poor and given reduced data governance requirements for smaller schemes (e.g. for schemes with less than 100 members) there is a risk of missing problems and only focusing on larger schemes.
- 2.2. We agree that considering impact, scale and complexity is a reasonable approach to prioritising enforcement activity. However, there is a risk that this could be misunderstood to imply that small schemes would be less likely to face enforcement action or that 'scale' is only considered in relation to a single scheme rather than also including a single issue affecting multiple small schemes.
- 2.3. We also agree that complexity should be considered as a secondary factor in relation to impact and scale, so that it is clear that high impact or high scale cases should be prioritised, even if they are difficult. However, the drafting of this section implies that if a case has low complexity, and all else is equal, then TPR is less likely to take action. It also suggests that TPR are less likely to take enforcement action on clear, straightforward legislative breaches than if the situation is more nuanced or defensible. While complex cases should not be automatically avoided, dealing with low complexity cases could be a cost-efficient method of quickly improving saver outcomes. Amending the third bullet under 'complexity' from "Low complexity, low scale, and low impact cases are less likely..." to "Low scale and low impact cases are less likely..." would remove this probably unintended impression.
- 2.4. The SPP recognises that TPR's resources are finite. As a result, there may be a temptation to focus on any egregious corporate activities at larger or less well-funded schemes. However, it must continue to look at poor behaviours in schemes activities, even for well-funded schemes, and avoid any appearance of different standards given that funding levels and covenant strength can change going forward. If TPR were to engage less on situations involving better funded schemes then it risks missing significant problems. As the SPP has repeatedly highlighted, low dependency is not no dependency¹.

¹ The SPP, **Covenant Perspectives on the DB Funding Code, November 2024:**

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- 2.5. We would also like the strategy to require consideration of when enforcement could be counterproductive and act against savers' best interests. For example, consider a small, badly run, non-compliant DC scheme which has a new sponsoring employer due to a takeover or other corporate action. An engaged pro-active employer will want to rectify the situation, prioritising saver outcomes. This may involve appointing new trustees and/or administrators. Although a change in trustee or administrator does not in itself change legislative requirements, an enforcement strategy which recognises such a change would incentivise the resolution of historic issues for the benefit of savers. This should not be perceived as a 'get out of jail free' card which wipes the slate clean and so it should also be clear that those responsible for historic non-compliance would remain fully in scope for enforcement action.
- 2.6. Finally, in seeking the views of our members on the strategy, and in particular what should be prioritised, several have highlighted that in the context of the new surplus flexibilities, queries are being raised regarding the offences introduced under the Pension Schemes Act 2021 and whether trustee decisions to release surplus (and potentially advisers who advise it's reasonable to do so) could be caught i.e. in particular in respect of "conduct risking accrued scheme benefits". It may therefore make sense for TPR to review the application of the enforcement and criminal offences policies in light of the new surplus flexibilities.

3. About The Society of Pension Professionals

- 3.1. The SPP is the representative body for a wide range of providers of advice and services to pension schemes, trustees and employers. Our work harnesses the expertise of our membership, striving for a positive impact on pension scheme members, the pensions industry and its stakeholders.
- 3.2. The breadth of our members is a unique strength for the SPP and includes actuaries, lawyers, professional trustees, DC consultants, investment managers, providers, administrators, covenant assessors, and other pension specialists, delivering a wide range of services.

4. Further information

- 4.1. For more information about this consultation response please contact SPP Director of Policy & PR at: phil.hall@the-spp.co.uk or telephone the SPP on 0207 353 1688.
- 4.2. To find out more about the SPP please visit the SPP web site: <https://the-spp.co.uk/>
- 4.3. Connect with us on LinkedIn at: <https://www.linkedin.com/company/the-society-of-pension-professionals/>
- 4.4. Follow us on X (Twitter) at: <https://twitter.com/thespp1>

Monday 10 November 2025



<https://the-spp.co.uk/wp-content/uploads/Covenant-Perspectives-on-DB-Funding-Code-SPP-November-2024.pdf>

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