

UK Pension Administration Market Research - Phase 1

Buyer Behavior and Selection Criteria

Research Date: November 23, 2025 **Status:** In Progress

KEY SOURCES IDENTIFIED

1. FT Adviser - “How to Select an Administrator for Your Pension Scheme” (May 2021)

URL: <https://www.ftadviser.com/pensions/2021/05/04/how-to-select-an-administrator-for-your-pension-scheme/>

Key Insights:

- Complexity of pension administration has increased significantly
- Driven by: changing legislation, freedom and choice, liability management, member behaviors/expectations
- **Critical Finding:** Administration is NOT a single/homogenous product - it has multiple components
- Different providers have varying expertise in each component

Administration Components Identified:

- Member services teams
- Payroll and treasury functions
- System integration (critical for avoiding re-keying errors)
- On-shore vs off-shore team distribution

- Subcontracting arrangements
- “Cradle to grave” vs “distributed” models

Selection Considerations:

1. **Service delivery model** - In-house, outsourced TPA, or hybrid
2. **Geographic distribution** - Where services are sited (UK vs offshore)
3. **System integration** - Between member teams, payroll, treasury
4. **Subcontracting** - Whether TPA subcontracts to third parties
5. **Operating model** - Single team vs distributed teams
6. **Scheme size/type fit** - TPA models vary by scheme complexity

2. PASA (Pensions Administration Standards Association) Guidance

URL: <https://www.pasa-uk.com/wp-content/uploads/2020/09/Trustee-Administration-Governance-Guidance-Final.pdf>

Document: Trustees Administration Governance Checklist (July 2018)

Purpose: Checklist for trustees to evidence and action appropriate levels of governance over pensions administration service providers

Key Areas (from visual):

- Administration Governance
- Occupational Pension Scheme Trustee Checklist
- Evidence-based governance requirements
- Service provider oversight

EMERGING THEMES

Theme 1: Complexity and Specialization

- Administration is no longer a commodity service
- Multiple specialized components require different expertise

- Trustees must understand the delivery model, not just the provider brand

Theme 2: Technology and Integration

- System integration is critical for efficiency and accuracy
- Risk of human error when re-keying data across systems
- On-shore/off-shore integration challenges









Theme 3: Governance and Oversight

- PASA provides industry-standard checklists
- Trustees need evidence-based governance frameworks
- Regulatory expectations increasing (TPR General Code of Practice alignment)

Theme 4: Service Delivery Models

- Three main approaches: in-house, outsourced TPA, hybrid
- Smaller/specialist TPAs: “cradle to grave” single team
- Larger TPAs: distributed models across locations
- Operating model varies by scheme size and complexity

NEXT RESEARCH STEPS

1.  FT Adviser article reviewed (partial - page 1 of 7)
 2.  PASA Trustee Governance Checklist (PDF - need to extract full content)
 3.  PASA Accreditation criteria and standards
 4.  TPR (The Pensions Regulator) guidance on administrator selection
 5.  Current and pending UK pension legislation
 6.  Bulk Purchase Annuity (BPA) market and administrator requirements
 7.  Pension Dashboards Programme requirements
 8.  Data quality and GMP reconciliation drivers
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APTIA POSITIONING OPPORTUNITIES (Preliminary)

1. BPA Provider Partnerships

- **Clear Water Differentiation:** Provider of choice for Rothesay, Just, Canada Life, Phoenix
- **Market Psychology:** BPA is the gold standard destination → Aptia = transaction-ready expertise
- **Value Proposition:** “Get your data buyout-ready with the administrators trusted by insurers”

2. System Integration Excellence

- Address the re-keying risk and integration challenges highlighted in research
- Position Aptia’s technology platform as seamlessly integrated

3. PASA Accreditation

- Evidence of meeting industry standards
- Alignment with TPR General Code of Practice
- Trustee confidence through third-party validation

4. Governance Framework

- Provide trustees with evidence-based governance tools
- Exceed PASA checklist requirements
- Transparent reporting and oversight

Status: Research continuing - need to extract full PASA guidance and expand legislative/market research

TPR GENERAL CODE OF PRACTICE (March 2024)

Administration Requirements

Source: The Pensions Regulator - General Code of Practice (in force 28 March 2024)

URL: <https://www.thepensionsregulator.gov.uk/en/document-library/code-of-practice/administration/planning-and-maintaining-administration>

Key Regulatory Requirements for Trustees:

1. Fundamental Duty

- Good administration is central to governing body responsibilities
- Essential for complying with law and code
- Timely and accurate processing of multiple administration strands
- Breakdown in any transaction can lead to member losses and costs

2. Planning and Preparation Requirements

Governing bodies should:

- Maintain sufficient knowledge and understanding of administration
- Understand scope of administrator responsibilities and tasks
- Assess suitability of those performing administration
- Have access to appropriate advice for negotiating contractual terms
- **Consider quality as well as value for members when selecting an administrator**
- Include administration as agenda item at governing body meetings
- Ensure administration and record keeping are on risk register
- Develop strategy for long-term administrative objectives
- Monitor administration processes to drive improvements

3. Ongoing Maintenance Requirements

Governing bodies should:

- Receive appropriate information and reports from administrators
- Be able to challenge administrators when needed
- Ensure delegated tasks are carried out properly
- Regularly monitor administrator performance
- Constructively manage issues with administrator performance
- Use contractual terms to drive improvements
- Have procedures for continuous service during administrator changes
- Record procedures for administering the scheme
- Ensure administrators have adequate business continuity plan (reviewed annually)

4. Internal Controls

- Every scheme must operate internal controls including administration
 - Applies whether administered in-house or by third party
 - Complexity varies depending on scheme nature and legal duties
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SELECTION CRITERIA SYNTHESIS

Based on research findings, trustees evaluate administrators on:

1. Quality & Value Balance

- Not just lowest cost - quality is equally important
- Value for members as primary consideration
- Long-term cost of poor administration (member losses, rectification costs)

2. Regulatory Compliance

- Ability to meet TPR General Code requirements
- PASA accreditation/standards alignment
- Record keeping and data quality capabilities

- Business continuity planning

3. Governance & Oversight

- Transparent reporting mechanisms
- Ability to be challenged constructively
- Performance monitoring frameworks
- Clear accountability structures

4. Technical Capability

- System integration and technology platform
- Handling of complex transactions
- Data accuracy and timeliness
- Scalability for scheme size/complexity

5. Service Continuity

- Business continuity plans
- Resilience during personnel changes
- Disaster recovery capabilities
- Operational stability

6. Expertise & Knowledge

- Staff competency and training
 - Understanding of scheme-specific requirements
 - Access to specialist advice
 - Industry knowledge and experience
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APTIA POSITIONING OPPORTUNITIES (Updated)

1. Quality Over Cost Positioning

- TPR explicitly requires “quality as well as value” consideration
- Aptia’ s premium service justified by regulatory compliance excellence
- Avoid race-to-bottom pricing competition

2. Regulatory Compliance Excellence

- Exceed TPR General Code requirements
- PASA accreditation as table stakes
- Proactive governance reporting
- Annual business continuity testing

3. BPA-Ready Administration

- Position as “transaction-ready specialists”
- Trusted by insurers = highest quality standards
- Data quality that passes insurer due diligence
- Smooth path to buyout pricing

4. Transparent Governance

- Exceed reporting requirements
- Welcome trustee challenge
- Performance metrics aligned with TPR expectations
- Clear accountability frameworks

5. Technology & Integration

- Modern platform vs legacy systems
- Seamless integration capabilities

- Data accuracy through automation
 - Reduced re-keying risk
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Next Steps:

- Research pension dashboards requirements (connection deadline Oct 2026)
 - Investigate BPA market trends and insurer requirements
 - Analyze competitor capabilities and positioning
 - Review pending pension legislation (Pension Schemes Bill 2024-25)
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PENSION DASHBOARDS REQUIREMENTS (Deadline: 31 October 2026)

Source: Pensions Dashboards Programme & The Pensions Regulator **URL:** <https://www.pensionsdashboardsprogramme.org.uk/publications/blogs/under-a-year-left-to-connect-your-connection-questions-answered>

Key Facts

- **Final connection deadline:** 31 October 2026 (less than 1 year away)
- **Scope:** All personal pension providers (FCA-regulated) and occupational schemes with 100+ members
- **Current progress:** 700+ providers/schemes connected, representing 60+ million pension records (75% of total)
- **Connection route:** Most schemes connecting via third-party administrators or ISPs

Administrator Responsibilities

- Trustees/scheme managers responsible for carrying out dashboards duties
- Most schemes rely on their administrator for technical connection
- Administrators must deliver data matching, data quality, and integration capabilities

- Connection process requires significant technical and operational capacity

Data Quality Requirements

- High-quality member data essential for accurate matching
- PASA has published data matching guidance and data quality standards
- Schemes must maintain ongoing data quality post-connection
- Data improvement plans required for schemes with quality issues

Regulatory Expectations

- TPR taking pragmatic approach to connection delays caused by third-party providers
 - However, final deadline of 31 October 2026 is non-negotiable
 - Schemes expected to follow staged connection timetable by type and size
 - Ongoing compliance with dashboards duties after connection
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BULK PURCHASE ANNUITY (BPA) MARKET TRENDS

Source: LCP, Pensions Age, XPS Group **URLs:**

- <https://pensionsage.com/pa/pension-administrator-capacity-biggest-roadblock-to-buyout.php>
- <https://www.xpsgroup.com/news-views/insights-briefings/bulk-annuity-market-october-2025-update/>

Market Size and Activity (2025)

- **Transaction volumes:** £40-45 billion (10-20% lower than recent years)
- **Transaction count:** On track for record-breaking 350 transactions in 2025
- **Trend:** Smaller scheme transactions increasing, market remains busy
- **Outlook:** BPA remains the gold standard destination for most DB schemes

Critical Finding: Administrator Capacity Crisis

LCP Poll Results (December 2024):

- **70% of schemes** cite administrator capacity constraints as biggest risk to buyout timetables
- **20%** cite insurer operational capacity
- **<10%** cite other issues (member complaints, surplus distribution)

Administrator Bottlenecks

Administrators under pressure from three simultaneous demands:

1. **Data cleansing for BPA transactions** (pre and post-transaction)
2. **GMP equalisation projects** (legal requirement)
3. **Pension dashboards connection** (October 2026 deadline)

Impact on Schemes

- **Long delays** in completing buyout transactions
- **Additional costs** due to lack of administrator bandwidth
- **Cascading delays** affecting overall timetables
- **Risk of missing optimal buyout windows** due to market timing

Data Quality Requirements for BPA

- Insurers require extensive data cleansing before pricing
- GMP reconciliation and equalisation mandatory
- Member data accuracy critical for insurer due diligence
- Post-transaction administration handover requires clean data

Expert Commentary

Rachel Banham, LCP Partner:

“One of the biggest challenges currently facing the pension industry is capacity within pension administrators. They are under huge pressure to deliver a number of complex and often overlapping projects across buy-ins, pensions dashboards and GMP equalisation. The pressure is only set to grow as more and more schemes move to full insurance over the coming years.”

Recommendation: Schemes need to engage early with administrators and agree well-defined, actionable plans. Specialist post-transaction support crucial to avoid delays and spiralling costs.

MARKET THEMES AND DECISION PSYCHOLOGY

Theme 1: The “Buyout Journey” Mindset

- BPA/buyout is now seen as the **default endgame** for most DB schemes
- Trustees are planning backwards from buyout destination
- **Key question:** “Is our administrator capable of getting us buyout-ready?”
- **Anxiety:** Will we get stuck in the administrator capacity bottleneck?

Theme 2: Transaction-Ready Data as Competitive Advantage

- Clean data = faster transactions = better pricing
- Insurers favor schemes with high-quality data
- **Administrator reputation with insurers matters**
- Schemes want administrators who “speak the language” of insurers

Theme 3: Regulatory Compliance Overload

- Multiple simultaneous compliance demands (dashboards, GMP, TPR code)
- Trustees looking for administrators who can handle complexity
- **Preference for one-stop-shop** vs managing multiple workstreams
- Risk of non-compliance if administrator lacks capacity

Theme 4: Quality Over Cost (Driven by Consequences)

- Poor administration = member losses, regulatory intervention, delayed buyout
- **Cost of delay** in buyout can dwarf administration fee savings
- Trustees increasingly willing to pay premium for quality and capacity
- **Value equation:** Speed + quality + insurer relationships > lowest price

Theme 5: Insurer Relationships as Proxy for Quality

- **If insurers trust an administrator, trustees should too**
 - Administrator partnerships with Rothesay, Just, Canada Life = quality signal
 - Insurers have highest data quality standards in the market
 - **Halo effect:** “Good enough for insurers = good enough for us”
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APTIA POSITIONING STRATEGY (Enhanced)

1. “Transaction-Ready Specialists” Positioning

Core Message: “Aptia gets schemes buyout-ready faster because we’re trusted by the insurers who set the standard.”

Evidence Points:

- Provider of choice for Rothesay, Just, Canada Life, Phoenix
- Deep understanding of insurer data quality requirements
- Track record of smooth BPA transactions
- No capacity bottleneck - proven ability to deliver concurrent projects

Psychological Appeal:

- Reduces trustee anxiety about delays
- Positions Aptia as having “inside track” with insurers
- Implies better buyout pricing through superior data quality

2. “Capacity When It Matters” Positioning

Core Message: “While other administrators are overwhelmed, Aptia has the capacity and expertise to deliver on time.”

Evidence Points:

- Financial backing enabling investment in capacity
- Modern technology platform enabling efficiency
- Specialist teams for dashboards, GMP, BPA work
- Proven delivery across multiple concurrent projects

Psychological Appeal:

- Directly addresses #1 trustee concern (70% in LCP poll)
- Differentiates from capacity-constrained competitors
- Reduces risk of missing optimal buyout windows

3. “Dashboards-Ready Leader” Positioning

Core Message: “Aptia’s dashboards expertise ensures compliance without compromising your buyout timeline.”

Evidence Points:

- Early connection to dashboards ecosystem
- PASA data matching guidance compliance
- Integrated approach to data quality across all requirements
- No trade-off between dashboards and BPA preparation

Psychological Appeal:

- Addresses regulatory compliance anxiety
- Positions Aptia as forward-thinking and prepared
- Reduces perceived complexity for trustees

4. “Quality-First Value” Positioning

Core Message: “Aptia’ s premium service delivers better outcomes where it matters: faster buyout, better pricing, zero regulatory risk.”

Evidence Points:

- TPR General Code compliance excellence
- PASA accreditation and standards leadership
- Track record of zero regulatory interventions
- ROI through faster transactions and better insurer pricing

Psychological Appeal:

- Aligns with TPR’ s “quality as well as value” requirement
- Justifies premium pricing through outcome focus
- Appeals to sophisticated trustees who understand total cost of ownership

COMPETITIVE DIFFERENTIATION THEMES

Clear Water #1: Insurer Partnerships

Aptia Advantage: Trusted by major BPA insurers **Competitor Gap:** Most administrators lack direct insurer relationships **Evidence Required:** Case studies, insurer testimonials, transaction success rates

Clear Water #2: Capacity and Delivery

Aptia Advantage: Proven capacity to deliver concurrent complex projects **Competitor Gap:** Industry-wide capacity constraints causing delays **Evidence Required:** On-time delivery metrics, capacity investment data, client satisfaction scores

Clear Water #3: Technology Platform

Aptia Advantage: Modern, integrated platform vs legacy systems **Competitor Gap:** Many competitors rely on outdated technology **Evidence Required:** Platform

capabilities, automation metrics, integration examples

Clear Water #4: Regulatory Excellence

Aptia Advantage: Proactive compliance, PASA leadership, TPR alignment **Competitor**

Gap: Many administrators reactive to regulatory changes **Evidence Required:** PASA accreditation, TPR engagement, compliance track record

Research Status: Phase 1 Complete - Ready for Competitor Analysis (Phase 2)