TISA

Response by TISA to:
The Occupational and Personal Pension Schemes (General Levy) Regulations review 2026

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About TISA

Supporting the financial journey through life

The Investing and Saving Alliance (TISA) is committed to improving the financial wellbeing of all UK consumers by working collectively with the financial services industry to deliver solutions and champion innovation, for the benefit of people, our industry, and the nation.

We do this by working with our member firms to deliver practical solutions and devise innovative, evidence-based strategic proposals for government, policy makers and regulators that address major consumer issues.

We care about the entire financial life of consumers: from their first savings account opened to ensuring people can age and retire with dignity. TISA believes that savings and investments play a significant role in the lives of people and small businesses. Consumers benefit when they put aside money for their future. Saving and investing can provide a buffer for emergencies; help people achieve big and small goals throughout their lifetime; and give people quality of life in later years.

TISA is a not-for-profit membership organisation and a trusted partner of key industry stakeholders in helping shape the future of the UK financial services and the environment in which we operate. We have approximately 260-member firms involved in the supply and distribution of savings and investment products and associated services. Our members include the UK's major investment managers, retail banks, online platforms, insurance companies, pension providers, distributors, building societies, wealth managers, third party administrators, FinTechs, financial consultants, financial advisers, industry infrastructure providers and stockbrokers.

Our work, your influence

With a focus on four key workstreams that best support the consumer and UK financial services, TISA has become a leading industry voice and ally for delivering consumer focused initiatives.

Our policy work reflects TISA's broad scope of interests and aims on meeting the needs of UK consumers, members and our industry. From improving financial education, inclusion and accessibility, right through to savings, investments and retirement planning, the work we do with our members to **influence policy** is crucial in enhancing the industry we operate in and driving positive change.

As part of our commitment to delivering focused and impactful consumer outcomes, TISA's policy working groups have been structured into **three distinct workstreams**:

1. **Consumer Protection**
   Protecting the best interests of UK consumers in their financial journeys.

2. **Consumer Access**
   Considering issues that could directly impact access to financial products.

3. **Effective Products**
   Examining key considerations and legislation relating to products across the investing and saving landscape.

All groups focus on both strategic and technical elements of policy/regulation. Key outputs from our workstreams can include recommendations to government and regulators on developing a financial services framework that protects and benefits UK consumers, finding solutions to operational/infrastructure challenges and developing standards of good practice on the interpretation and implementation of new regulation.

We provide a channel for firms to have their say on the policy we develop and present, contribute to our technical and regulatory interpretation work and, importantly, gain insights from other TISA members, policy makers, government and regulators.

Find out **more about TISA here:** https://www.tisa.uk.com/about-tisa/

Executive Summary

TISA welcomes the opportunity to respond to The Occupational and Personal Pension Schemes (General Levy) Regulations review 2026.

We support the principle that the pensions regulatory framework should be adequately funded, recognising the important role that effective regulation, guidance and consumer protection play in maintaining confidence in long-term savings and the UK retirement system. We also agree that levy costs should be allocated proportionately across different scheme categories based on the nature and scale of the regulatory activity they generate. However, we do not believe the consultation provides sufficient evidence to justify the scale of the proposed levy increases for Personal Pension schemes and Master Trusts. Greater transparency is needed on the underlying cost drivers, regulatory activities and allocation methodology to enable stakeholders to assess whether the proposed distribution of costs is fair, proportionate and equitable.

The proposed increases come at a time when the defined contribution pensions market is facing an unprecedented programme of regulatory and policy change, including Value for Money reforms, retirement income initiatives, consumer protection measures, pensions dashboards and wider pension reforms. Providers are already making substantial investments to comply with new requirements and improve consumer outcomes. Additional levy costs risk reducing firms' capacity to invest in innovation, product development, member engagement and the development of effective decumulation solutions.

We are also concerned about the proposed implementation timetable. With revised levy rates due to take effect from April 2027, schemes may have little time to incorporate the final charges into financial planning and governance processes. Many organisations will have already finalised or substantially completed budgets and business plans before the final levy framework is confirmed. This could create operational disruption, require budget revisions and force difficult reprioritisation decisions. We therefore encourage early confirmation of the final levy structure, an appropriate lead-in period before implementation, and consideration of transitional arrangements or phased implementation where increases are significant.

Looking beyond 2030, the levy framework should be designed to reflect a rapidly evolving pensions market characterised by consolidation, potential synergies between workplace and retail pension provision emerging, ongoing regulatory reform and the growing influence of emerging technologies such as agentic AI. The framework should be flexible and future-focused, built around the core principles of fairness, transparency, stability and a strong focus on member outcomes.

Finally, we believe confidence in levy-funded bodies would be strengthened through significantly greater transparency around how levy funding is allocated, spent and linked to measurable outcomes. Clear expenditure reporting, outcome-based performance measures, multi-year cost-benefit assessments, project delivery reporting and evidence of consumer and industry benefits would help demonstrate value for money. Annual public reporting against key objectives, funding allocations and outcomes achieved would improve accountability and give levy payers greater confidence that levy funding is being used efficiently and effectively.

Question responses

Question 1: What impact would the proposed levy changes have on your scheme or organisation? Please explain any financial, operational, administrative, or strategic impacts, and provide evidence or estimates where available.

We are is supportive of the principle that the regulatory framework should be adequately funded. Effective regulation, guidance and consumer protection are fundamental to maintaining confidence in long-term savings, pensions and the wider UK retirement system.

We recognise that different pension scheme categories should contribute in a manner that is proportionate to the nature and scale of the regulated activities they undertake. However, we do not believe the consultation provides a sufficiently detailed evidence base to justify the scale of the proposed increases for certain sectors, particularly Personal Pension schemes and Master Trusts. Greater transparency regarding the underlying cost drivers, regulatory activities and allocation methodology would help stakeholders assess whether the proposed distribution of costs is proportionate and equitable.

The defined contribution pensions market is currently implementing an unprecedented programme of regulatory and policy change. The cumulative impact of initiatives relating to value for money, retirement income solutions, consumer protection, dashboards and wider pension reforms is placing significant demands on firms' resources, operating budgets and governance structures.

Against this backdrop, further increases in regulatory levies should be considered carefully. Providers are already committing substantial investment to meet new regulatory requirements and improve consumer outcomes. Additional levy costs may reduce firms' capacity to invest in product development, innovation and service enhancements. In particular, there is a risk that resources are diverted away from initiatives designed to improve saver engagement, develop effective decumulation solutions and enhance retirement outcomes. While some increase in funding may be justified, we would encourage the Government to provide a clearer rationale for the proposed increases and to demonstrate that the costs are being allocated fairly across sectors. This is particularly important given the strategic policy objective of encouraging greater retirement saving and delivering better outcomes for members of defined contribution pension schemes.

Question 2: What practical barriers, if any, would your scheme or organisation face in implementing the proposed levy changes? Please explain whether these are operational, technical, financial, or timing-related.

We are concerned about the proposed implementation timetable. The revised levy rates are expected to take effect from April 2027, yet there remains uncertainty regarding when the final charging structure and rates will be confirmed. The period between finalisation of the regime and implementation may therefore be insufficient for schemes and providers to undertake appropriate financial planning and governance processes.

Many schemes will have substantially completed, or in some cases finalised, their 2027 budgets and business plans before the levy framework is confirmed. Late-stage changes to levy costs will necessitate revisions to forecasts and budgets, potentially requiring schemes to reprioritise expenditure, defer planned initiatives, or revisit other operational and member-focused activities.

We therefore encourage the Government to provide clarity on the final levy structure as early as possible and to consider an appropriate lead-in period between publication of final rates and implementation. This would enable schemes and providers to incorporate levy increases into their financial planning in an orderly manner, reducing operational disruption and supporting effective governance.

If significant increases are ultimately adopted, we would also support consideration of transitional arrangements or phased implementation to help schemes absorb additional costs while maintaining investment in member services, communications, and broader regulatory initiatives.

Question 3: Do you agree with the proposed differences in levy increases between DB and hybrid schemes, DC schemes, master trusts, and personal pension schemes? Please explain your answer, including any evidence on whether the proposed distribution of costs is fair and proportionate.

We agree that differential levy increases may be justified where there are clear differences in regulatory activity. However, we do not believe the proposed increases for Master Trusts and personal pension schemes are supported by a sufficiently robust evidence base. We recommend greater transparency regarding the methodology and evidence used to demonstrate that the proposed increases are fair, proportionate and accurately reflect the evolving pensions landscape.

This is particularly important given that personal pension providers are already subject to separate FCA fees and levies, resulting in regulatory costs that are not borne by occupational pension schemes.

Question 4: Do you agree with the proposed balance between affordability for levy payers and the pace of levy debt reduction? If not, please explain what balance you would prefer and why.

Yes, we agree with this approach.

Question 5: What principles should guide the future design of the levy beyond 2030? Please include any views on alternative charging approaches, scheme categories, thresholds, or other structural changes.

The DC pensions market is evolving rapidly and, over the coming years, is likely to become significantly less fragmented, with fewer and larger schemes serving the workplace pensions market. In time, the distinction between workplace and retail pension provision may become increasingly blurred and synergies realised, and any long-term levy framework should be sufficiently flexible to accommodate these structural changes.

We have seen unprecedented levels of regulatory activity in recent years, with a substantial pipeline of further policy and regulatory change still expected. Against this backdrop, it is essential that regulators work closely together to ensure that future interventions are strategically coordinated, proportionate and deliver clear benefits for savers. The current pace and scale of change cannot continue indefinitely without risking unintended consequences for schemes, providers and, ultimately, member outcomes.

Emerging technologies will also have a significant impact on the pensions landscape. In particular, agentic AI has the potential to fundamentally transform how consumers engage with pensions, access guidance and make financial decisions. This could materially alter the way schemes and providers operate, as well as the nature of regulatory oversight required in the future. The design of any levy framework should therefore be sufficiently future-focused to remain relevant as technology reshapes the market.

Given these developments, the levy framework should be built on clear and enduring principles. In our view, fairness, transparency, stability and a strong focus on member outcomes should underpin its design, ensuring that costs are allocated appropriately and that the framework remains sustainable and fit for purpose over the long term.

Question 6: What information or measures would help you better understand how levy funding is used and support confidence that levy-funded bodies are delivering value for money? Please provide examples where possible

We believe that greater transparency around how levy funding is allocated, spent and linked to measurable outcomes would help firms better assess value for money and strengthen confidence in levy-funded bodies. In particular, firms would benefit from:

- Clearer breakdowns of expenditure, showing how levy income is allocated across core activities, projects, operational costs and strategic initiatives.
- Outcome-based reporting, including a small number of consistent performance indicators that demonstrate what has been delivered for levy payers and consumers, rather than focusing primarily on activities undertaken.
- Multi-year reporting on costs and benefits, enabling firms to understand trends in expenditure and whether initiatives are generating efficiency gains over time.
- Benchmarking and efficiency measures, including comparisons against previous years and explanations where costs have increased materially.
- Greater visibility of project delivery, including budgeted versus actual spend, delivery milestones and post-implementation reviews for significant programmes funded through levies.
- Stronger evidence of consumer and industry impact, such as metrics demonstrating improved consumer outcomes, reduced fraud, enhanced financial capability, or improved market efficiency.

As an example, levy-funded bodies could publish annual dashboards setting out key objectives, funding allocated, outcomes delivered, and an assessment of whether those outcomes represented value for money. This would help firms understand not only how funds have been spent, but also the benefits achieved relative to the costs incurred.

More generally, increased transparency around priorities, decision-making and performance would support accountability and help levy payers have greater confidence that funding is being used efficiently and effectively to deliver agreed objectives.