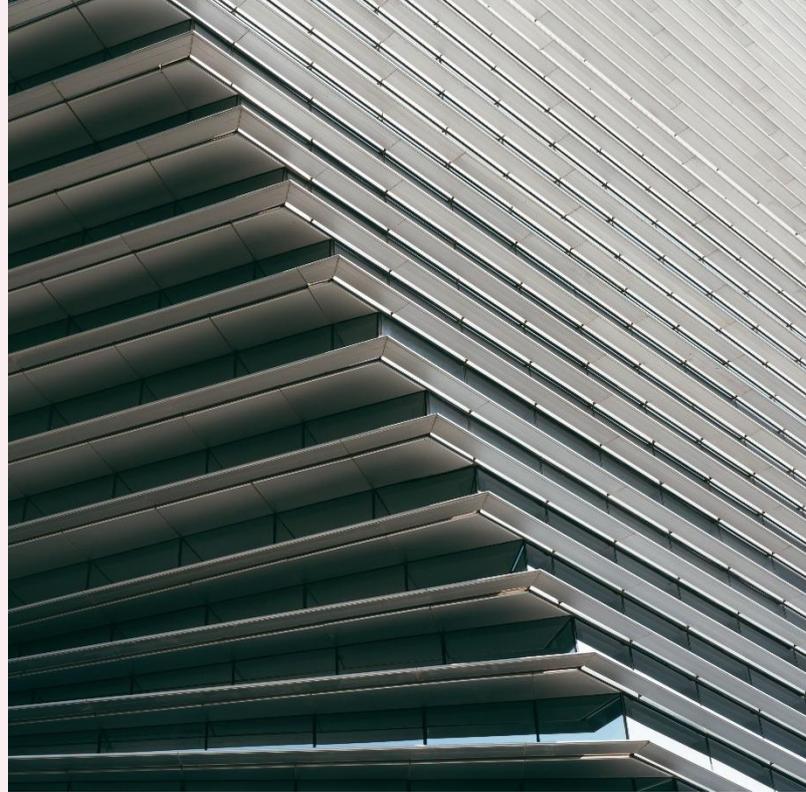


UK PENSIONS UPDATE: 5 in 5

March 2026



Welcome to our newsletter: "UK Pensions Update: 5 in 5" where we deliver to you what you really need to know about the 5 key developments in UK pensions from the last quarter – digestible within 5 minutes!

Key issues

- 1 Pension Schemes Bill update
- 2 DWP consultation on trustee standards
- 3 Joint consultation on value for money framework
- 4 Data (Use and Access) Act 2025 implementation
- 5 TPR consultation on new code of practice for collective defined contribution schemes

Pension Schemes Bill: Timeline

June 2025: Introduced into House of Commons

September - December 2025: Committee Stage and Report Stage in House of Commons

3 December 2025: Approved by House of Commons

December 2025: First and second readings in House of Lords

January - February 2026: Committee Stage in House of Lords

March 2026: Report Stage in House of Lords

2026: Final consideration of amendments and Royal Assent

1. PENSION SCHEMES BILL UPDATE

The Pension Schemes Bill (please see the [December edition](#) of our newsletter for background) is now entering the final stages of the legislative process, having passed the second reading in the House of Lords. The Bill is currently in the Report stage. While many amendments were proposed during the Committee debates, only a few were carried.

Virgin Media clauses: changes were proposed to the *Virgin Media* clauses intended to remove the 'litigation exclusion' (meaning those issues which are already subject to legal proceedings cannot rely on the remedial provisions in the Bill). However, this amendment was withdrawn. The *Virgin Media* "legislative fix" clauses, therefore, remain as agreed in the House of Commons (see the [September 2024](#) edition of our newsletter for more information on the *Virgin Media* case and the [September 2025](#) and [December 2025](#) editions for more information on the remedial provisions).

In a related development, the Financial Reporting Council (**FRC**) published [new guidance](#) at the end of January to support pension scheme actuaries in providing confirmations of historic pension scheme amendments using the remedial provisions contained in the Bill. This provides practical, non-prescriptive guidance and includes examples of how to apply a proportionate approach in collecting information and forming judgments when historic records are incomplete. The guidance is subject to change as the Bill progresses through Parliament and will be updated by the FRC to reflect legislative changes, where necessary.

This measure "will reduce the PPF reserve by £1.2 billion".

DWP Minister, Baroness Sherlock

Pre-1997 indexation: as previewed in the Autumn Budget, clauses have been agreed to provide pre-1997 indexation in the Pension Protection Fund (PPF) and Financial Assistance Scheme from January 2027.

Consolidation and investment duties: a key area of focus in Committee debates has been the impact of consolidation, particularly in the DC market. However, while amendments were proposed to the Bill requiring the Government to commission a report on the impact of consolidation in the market within 12 months of the Act being passed, these were not agreed.

During one sitting, concerns were raised around clarity of trustees' fiduciary duties, particularly in light of new scale and asset allocation provisions (which, broadly, will require master trusts and providers of multi-employer DC schemes operating in the auto-enrolment market to have £25 billion in assets under management in at least one main scale default arrangement by 2030 (subject to certain transitional reliefs for smaller schemes)). In response, the DWP Minister confirmed that the government would publish statutory guidance for private sector trust-based schemes regarding trustees' fiduciary duties in the exercise of their investment decisions. A consultation on draft guidance is expected in the spring.

Following the conclusion of the Report Stage, the Bill will undergo a third reading in the Lords. It is then expected to go through the final 'ping-pong' stage for the House of Commons to discuss any of the modifications made to the Bill by the Lords. As of the date of this newsletter, specific timing for when the Bill will receive Royal Assent has not been confirmed.

2. DWP CONSULTATION ON TRUSTEE STANDARDS

A new [government consultation](#) has been launched on measures to increase standards of trusteeship, governance and administration, reaffirming the government's vision for the pensions market to consist of a smaller number of "bigger and better" schemes, overseen by highly skilled trustees.

The consultation seeks views on, amongst other things, extending the remit of the Pensions Regulator (**TPR**) to cover scheme administrators, providing additional support for lay trustees and managing conflicts of interest and asks how to ensure consistent standards across professional trustees. Specifically, the consultation looks at:

- improving governance and removing barriers to good trusteeship;
- the increasing role of professional trustees and scrutiny of sole corporate trustee arrangements; and
- whether there should be enhanced regulatory oversight of pension scheme administrators.

The consultation closes on 6 March 2026.

"In DC pensions, we are legislating for fewer, bigger, better run schemes which have the scale to help deliver better outcomes for members."

DWP

3. JOINT CONSULTATION ON VALUE FOR MONEY FRAMEWORK

At the beginning of the year, a [consultation](#) was launched (jointly by the FCA, DWP and TPR) on a new Value for Money (**VFM**) framework for DC arrangements.

The consultation includes a response to the FCA's 2024 consultation on the same topic and introduces updated proposals for rules and guidance for contract-based schemes (to be implemented through the FCA Handbook). Since the DWP will implement the VFM framework for certain trust-based schemes that provide DC benefits through legislation under the Bill, the consultation also includes discussion on trust-based arrangements and is asking for input on the framework to help shape regulations enabled by the Bill. The DWP then intends to consult on draft regulations implementing the VFM framework for trust-based schemes and TPR will consult on any necessary codes of practice or guidance.

The proposed framework introduces four elements:

1. **Consistent measurement and disclosure:** trustees/firms must measure and publicly disclose investment performance, costs and service quality using prescribed metrics designed to assess VFM effectively.
2. **Objective comparison:** trustees/firms should assess performance against the market on a consistent and objective basis. The FCA is proposing to establish an online central VFM database into which all in-scope arrangement data would be entered for the purposes of this comparison.
3. **Transparency of outcomes:** assessment results must be publicly disclosed. VFM assessments will be shown in a colour coded four-point rating from "strong value" (dark green) to "not-value" (red).
4. **Action on poor value:** trustees/firms must take specified actions where an arrangement is assessed as not delivering VFM (rated either amber or red).

The final rules will be confirmed following the consultation's closure on 8 March and are subject to the Bill receiving Royal Assent. The intention is for the first VFM assessments to be required from 2028.

4. DATA (USE AND ACCESS) ACT 2025 IMPLEMENTATION

On 5 February, the Information Commissioner's Office (**ICO**) [confirmed](#) that the next phase (stage 3) of the Data (Use and Access) Act 2025 (**DUAA**) had commenced, meaning that most of the remaining data protection provisions in the Act have now come into force, in line with the government's [commencement timeline](#) (please refer to our recent [Data Privacy briefing](#) for further analysis).

Many of the changes that will impact trustees are now in force (see [September 2025](#) edition of our newsletter for further details). In particular, trustees should be preparing to:

- review existing policies/procedures to ensure they are in line with the new rules (including, time limits for responding to data subject access requests (**DSARs**) and searches in response to DSARs).
- update existing policies/procedures and privacy notices to refer to the reformed ICO/its new powers.

"The pensions system must be as efficient and effective as possible, and that means delivering VFM from the moment savers join a pension right the way through to, and including, retirement."

The Pensions Regulator

DUAA recap

- The DUAA came into force on 19 June 2025. The Act makes changes to the UK's data protection regime, including restructuring the existing data protection regulator, making anti-fraud and know your customer processing easier and clarifying obligations in relation to DSARs.
- The provisions were grouped into four main 'phases', coming into force at different times.
- Phase 3 (December 2025 - February 2026) focused on bringing into force the main changes to data protection legislation, most relevant to trustees.
- Phase 4 (expected June 2026 onwards) relates to changes requiring a longer lead-in time. These include some ICO governance provisions and complaints procedures.

- update existing policies and procedures to reflect the new requirements on data subject complaints, including ensuring that an electronic complaint form is available (these requirements are expected to apply from 19 June 2026)

Trustees will also need to undertake a data protection impact assessment before connecting to the pensions dashboards architecture (which is already needed under the current regime) and update their existing policies and privacy notices to reflect the processing of personal data that will be undertaken in light of their new dashboard duties.

5. TPR CONSULTATION ON NEW CODE OF PRACTICE FOR CDC SCHEMES

TPR recently published a [consultation](#) on a new [draft code of practice](#) for collective defined contribution (CDC) schemes. The new Code will replace the [existing Code](#) and supplement new regulations which will come into force at the end of July¹ in respect of unconnected multi-employer CDC schemes (see the [December edition](#) of our newsletter for further background).

The consultation focuses on the changes needed to accommodate multi-employer CDC schemes but also raises broader questions on the authorisation and governance of CDC schemes more generally.

TPR says its eventual ambition is to align all codes for authorised schemes as far as possible and for them to be incorporated into the General Code. It has therefore adopted a modular design for the authorisation criteria.

The consultation closed on 13 February 2026 and a response is currently awaited.

¹ *The Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations.*



Clare Hoxey
Partner, London

Email: clare.hoxey@cliffordchance.com
Mobile: +44 7900 167208

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2026



Sarah McAleer
Partner, London

Email: sarah.mcaleer@cliffordchance.com
Mobile: +44 7535 414155

Clifford Chance LLP is a limited liability partnership registered in England and Wales under no. OC323571. The firm's registered office and principal place of business is at 10 Upper Bank Street, London E14 5JJ. The firm uses the word "partner" to refer to a member of Clifford Chance LLP or an employee or consultant with equivalent standing and qualifications.

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ



Louise Oliver
Director, London

Email: louise.oliver@cliffordchance.com
Mobile: +44 7957 675873

Abu Dhabi • Amsterdam • Barcelona • Beijing • Brussels • Bucharest** • Casablanca • Delhi • Dubai • Düsseldorf • Frankfurt • Hong Kong • Houston • Istanbul • London • Luxembourg • Madrid • Milan • Munich • Newcastle • New York • Paris • Perth • Prague** • Riyadh* • Rome • São Paulo • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

*AS&H Clifford Chance, a joint venture entered into by Clifford Chance LLP.



Rebecca Trapp
Director, London

Email: rebecca.trapp@cliffordchance.com
Mobile: +44 7930 101537

**Clifford Chance has entered into association agreements with Clifford Chance Prague Association SRO in Prague and Clifford Chance Badea SPRL in Bucharest.

Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.