

Trustees at a crossroads: Navigating the new endgame landscape

Rebecca Wood looks into the growing complexity of pension scheme endgames, discussing how trustees can meet regulatory expectations and create the best possible outcomes for members

For decades, the trustee's role was defined by a single, clear objective: secure members' benefits and steer the scheme toward buyout. But now, that clarity is gone. Today, The Pensions Regulator (TPR) has shifted its stance, with success no longer being measured solely by security, but by delivering the best possible outcomes for members. This evolution sounds empowering, but it introduces complexity that trustees will have to navigate alongside their advisers.

From certainty to choice

The endgame used to be a straight road; now it's a network of paths. Buyout remains an option, but it's joined by run-on strategies, consolidators, and superfunds. Each route carries different implications for risk, cost, and member experience. The amount of options and companies competing for business in each of these areas are only increasing too. Trustees must weigh up not just financial security, but also questions like: will members enjoy better returns? Will administration deliver a positive retirement experience?

For lay trustees, this is daunting. A scheme only reaches its endgame once and decisions must be made in real time, often under scrutiny, and with consequences that last decades. Those who only work on one scheme face the prospect of making these decisions without any kind of rehearsal.

Superfunds and the stakes ahead

The arrival of multiple superfunds illustrates the challenge. Clara's model offers a bridge to buyout, prioritising security. TPT's forthcoming solution promises a run-on approach, potentially enhancing returns but demanding confidence in governance and service quality. More entrants will follow, each with unique propositions.

"The endgame is no longer a destination; it's a journey"

Trustees must interrogate these models: scalability, capacity, long-term sustainability. As superfunds grow, regulation will need to evolve from initial checks to ongoing oversight. This is not a box-ticking exercise, it's about safeguarding member outcomes in a dynamic and changing market.

Why alignment matters

TPR's call for 'best outcomes' is not prescriptive. What's best for one scheme may differ for another. That flexibility is welcome, but it requires trustees to define success upfront. Is it absolute security? Higher returns? A seamless member experience? Without a shared vision, decision-making risks fragmentation and member outcomes could suffer.

This is where stakeholder engagement becomes critical. Sponsors,



advisers and administrators all need to be part of the conversation. Agreeing a clear set of objectives early ensures every decision is anchored in what matters most: the members.

The case for expertise

The complexity of today's choices demands more than good intentions. Trustees need access to deep market knowledge, rigorous analysis, and practical experience. Professional trustees and specialist advisers bring that perspective to lay trustees. Importantly, their role is not to dominate decisions, but to guide them. They help frame the right questions, challenge assumptions, and ensure governance keeps pace with innovation.

Leading through change

The trustee role is evolving from passive stewardship to active strategy. It's about navigating uncertainty, balancing competing priorities, and making decisions that will define members' futures. That requires collaboration, clarity, and confidence.

The endgame is no longer a destination; it's a journey. Trustees who embrace this shift by aligning stakeholders, setting clear objectives, and leveraging expertise, will not only meet regulatory expectations but deliver outcomes that truly serve their members.



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