



# Master Trusts Unpacked

**A market in motion: Stronger propositions, further to go**

April 2026



# Welcome

Welcome to the latest report in our Master Trusts Unpacked series, focusing on the key areas shaping the master trust market beyond investments. The report covers pension providers managing **c.£700 billion of workplace pension assets** across all arrangements, representing an estimated **85–90% of the total market**. When we talk about providers, we mean parties managing all types of workplace assets, including master trusts, GPPs and single employer trusts.

This broader report follows our **fifth annual review of default investment strategies**, published in February 2026. As with last year, it examines the **main non-investment priorities for master trusts** in a market that remains fast-moving, highly competitive and increasingly shaped by regulation.

Government policy continues to encourage consolidation, reducing the number of providers and schemes to give greater scale, including the requirement for a minimum of **£25 billion in default strategies by 2030**. Based on the data in our report, 7 providers had over £25 billion in their default as at 31 December 2025.

For employers and trustees considering a move to a master trust or reviewing their existing master trust, **long-term provider sustainability remains a key consideration**. With significant changes expected across the market before then, TPR and the DWP have warned against dismissing providers solely on scale. Member outcomes must remain the central focus, alongside factors that shape the overall DC saver experience.

Last year, post-retirement was an area most in need of development. **It is encouraging that progress has been made, with providers introducing a range of approaches**. No provider yet offers a complete solution, understandable given the complexity involved. Further developments are expected over the coming year as, subject to Royal Assent, the Pensions Schemes Bill will place a duty on master trust trustees to provide default decumulation options by 2027 and GPPs / single employer trusts by 2028.

**Service performance has also improved since last year**. Providers increasingly recognise that competition is tough and are introducing more ways for members to interact and understand their pension savings. While the overall picture is more positive, it remains to be seen how resilient these models will be during periods of heightened activity.

As more people turn to social media for financial information, **it is essential that master trusts use a broader mix of communication channels to engage members effectively**. While most providers have some presence across social platforms, there is still clear room for improvement.

Finally, our financial wellbeing data from the past five years shows that **supporting employees' overall financial health is essential**. Financial worries can harm productivity and decision-making capability, so it is encouraging that master trusts offer support to employers and members. We expect this to become an increasingly important part of their wider proposition.

In line with our sister report, we have chosen not to name individual master trusts when assessing service performance and engagement outcomes. These measures are important, but they should be considered as part of the broader value of each proposition versus your specific objectives.

We expect continued progress in 2026, particularly in post-retirement, as the 2027 deadline approaches and master trusts work to develop credible solutions.

LCP's independent research covers all of these issues in depth. If you are already in a master trust, or considering moving to one, please speak to your LCP Consultant or one of the experts listed on page 11 to explore these topics further.

We hope you enjoy reading the report.

# Market development

## Workplace pensions landscape

Providers in this analysis include both larger master trust-only providers and multi-product providers who offer a master trust but also typically offer contract-based pensions as well. This is relevant when considering the scale proposals in the 2025 Pension Schemes Bill, as often the providers' master trust and contract-based pensions share common default investment arrangements.

The proposed requirement is to have at least one default arrangement with over £25bn in assets by 2030. There will be a transition pathway for smaller schemes (at least £10bn in assets by 2030, with a glidepath to £25bn by 2035). This means we can broadly categorise providers into three groups.

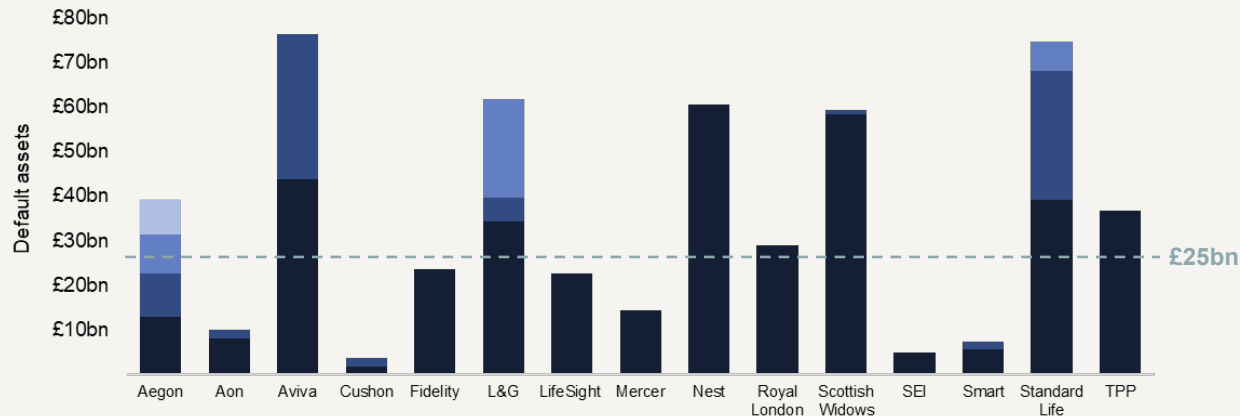
Providers that already have £25bn assets in their default

Providers that have £25bn assets across multiple defaults but may need to merge internally

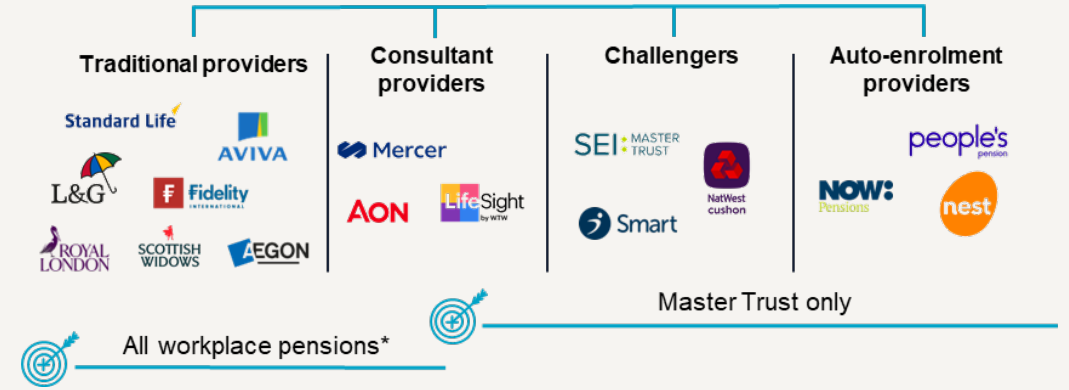
Providers that don't have £25bn in assets across all defaults

The need to scale up or consolidate may affect a provider's market positioning and attractiveness to decision-makers. It continues to be a dynamic market with recent announcements including WTW's acquisition of Cushon and, more recently, Standard Life confirming they are to acquire Aegon, subject to both transactions completing.

### Assets in major provider default arrangements



Source: Providers as at 31 December 2025. Different colours represent assets from multiple default arrangements across master trusts and, where applicable contract-based pensions combined.



\*Excluding Royal London which does not have a Master Trust.

## What were providers developing over 2025?

We asked providers what their top priorities for enhancing their proposition were for 2025.

Similar themes to our last report emerged, as well as more providers looking to explore the use of AI and plans to improve the overall member experience.

The new Value for Money reporting requirements will further increase scrutiny on providers and what they are doing outside of investments.

A major priority continues to be post-retirement. Master trust trustees will have a duty to provide default decumulation options by 2027 if the Pension Schemes Bill receives Royal Assent.

- app
- member website
- post-retirement guidance and advice
- retirement journey
- consolidation
- service standards
- AI
- webinars
- modelling tool
- transfer process
- financial wellbeing

# How are post-retirement offerings evolving?

## The deadline to provide a default solution is looming

Master trusts need to have default solutions in place during 2027, and this requirement is followed for the remaining workplace pension types in 2028.

**Pension Schemes Bill: Duty to make default Decumulation Options Available**



Last year's report, showed the initial focus was on **developing retirement product solutions**, rather than the associated support. For example, developing a solution offering a sustainable income via **drawdown in early retirement, followed by guaranteed income via an annuity later**.

We expect **variations in detailed design**, including how solutions accommodate ad hoc cash withdrawals and whether they operate through a **single investment pot** or **multiple underlying pots**.

The Government is currently **consulting on Retirement CDC**, considering how DC savers' pots could be converted into CDC income, and this may **become a solution for some providers in the future**. However, the necessary regulations **will not be in place before the 2027 default deadline** for master trusts.

Provider views also differ on the **role of a default retirement solution**. Some expect low member engagement and are therefore pursuing a largely **"do it for me" model**. Others believe it is **too difficult to default members** into an appropriate investment / withdrawal rate etc and therefore the default is a **last resort solution**, not one that should be used by most people. To achieve this, individuals would instead need to go through a **low-cost advice process** to determine the most suitable income / investment structure. Past experience has not shown **much take up of advice services** offered by workplace pension providers.

While much of the focus has been on **sustainable retirement income**, some members will not use their DC pots in this way. For these members, a **short-term income drawdown** solution may be more suitable than taking cash and moving it to a bank account. Providers might make this a **default for members with smaller pots**.

**Last year's report showed that the initial focus was on developing retirement product solutions, rather than the associated support, which we believe is vital for members.**

# How are post-retirement offerings evolving? (Continued)

## Solutions are lacking the full package

Beyond the underlying product and investment solution, we believe the more important factor is the **overall support available to members**. So far, no provider appears to offer a complete package, which is unsurprising given the **complexity of the issue** and ongoing regulatory changes.

For example, the FCA's **Targeted Support regime only came into effect in April 2026**, and while some workplace pension providers have sought early authorisation, there is **yet to be a consensus about how useful** it will be for supporting members at retirement.

The table below summarises the **key areas of support** we would like to see the market develop. There is **significant variation in what providers have implemented** so far, and some are better placed than others to deliver these services, particularly where they already have relevant capabilities in-house.

## What will success look like?

In practice, **members themselves will be the judges**, voting with their feet. Success will be demonstrated by how many members opt to use the default retirement solution (or an advised alternative) to deliver their sustainable retirement income.

For **that income to be meaningful**, members are likely to need to **consolidate the pots** they have built up over their working lives with their chosen provider. The quality of support on offer may play an important role in influencing that decision.

We are still a long way from this. At present, **many master trusts can point to only a small number of members** using their pot to **provide a regular income**, and it is not yet clear **whether that income is sustainable**. This is linked to the fact that current average DC pots are relatively small, but we can see this growing significantly in the next 5-10 years.

	Rolling programme of retirement seminars	Sustainable income investment / product solution	Pot consolidation service / open finance app	Retirement plan tool	1:1 guidance sessions	Targeted support recommendation	Low-cost advice service
Provider 1	✓	✓	✓				✓
Provider 2	✓			✓			✓
Provider 3	✓	✓		✓	✓		✓
Provider 4	✓		✓				

Table is for illustrative purposes only

# Improving service standards

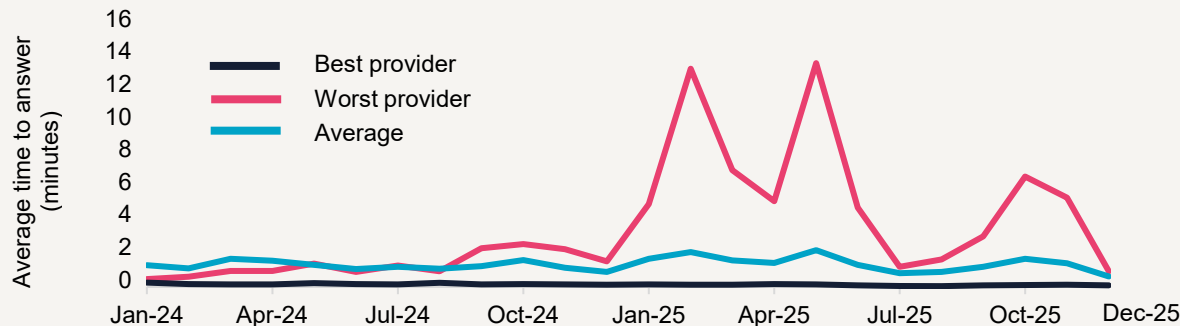
## Regulations are turning up the heat on administration

The DWP has acknowledged that changes to the pensions landscape and plans for consolidation will lead to increased workloads for administrators. This, along with the new VfM requirements, which will require reporting on service quality metrics, will inevitably put greater pressure on Trustees and administrators to ensure that members are receiving a high-quality service.

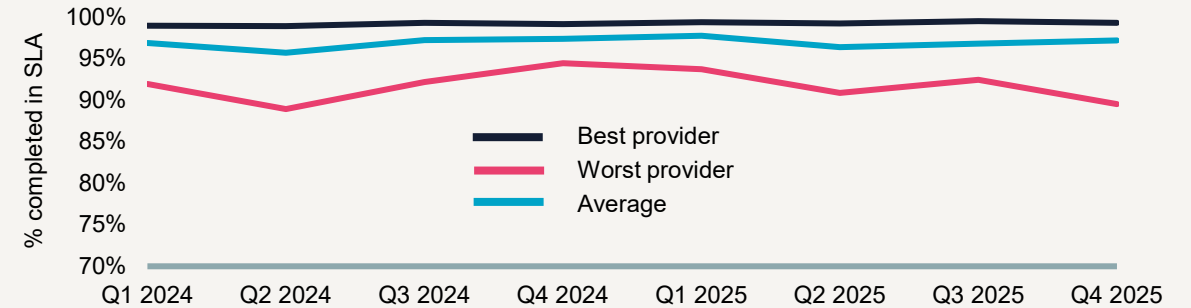
We continue to collect data from providers on the key metrics that act as indicators of administration performance. The charts in this report look at helpline answer times and performance against agreed service standards for the completion of a range of tasks, such as transfers and cash payments.

On average, provider performance is strong across both metrics, and we can see less variation between the best and worst providers compared to last year's report. Helpline answer times are more polarised, and we continue to see some providers struggle with volatility over the year as members react to market movements. Over 2025, only half of the providers we receive data from have seen an increase in call volumes, despite growing memberships across the board. As provider solutions develop, members have access to more information about their pension through online accounts and apps, and we expect to see a shift in how members are engaging with their provider as outlined in the next section of this report.

### Average answer times on member helplines



### Performance against Service Level Agreements (SLA)



## Taking the pressure off member helplines

Given the growing emphasis on improving service levels, we asked providers about the different avenues for member queries, particularly those that take some of the pressure off member helplines. Providers generally have a live web chat as well as a secure messaging service, which members can access via their online account.

**Half** of respondents confirmed that their **live chat functionality uses a virtual assistant** designed to handle simple member queries – this often removes the need for human intervention. Those that use a human support team still aim to provide a real-time response, whilst their secure messaging service is likely to provide a response in 1 to 3 working days.

Many providers are looking at ways to **enhance this functionality using AI**, to provide members with more personalised and sophisticated responses to their queries. We expect to see developments in this space over the coming year.

**Two thirds** of respondents confirmed that their live chat and / or secure messaging service is **accessible through their app**. This is expected to increase as providers continue to develop their apps over 2026.

**In our view, accurate and timely responses for members should be at the forefront for providers. Whilst we recognise that a human response is necessary in some cases, providers should have the technology in place for members to easily find tailored information about their benefits online.**

# Member engagement

## Speaking to a multi-generational workforce

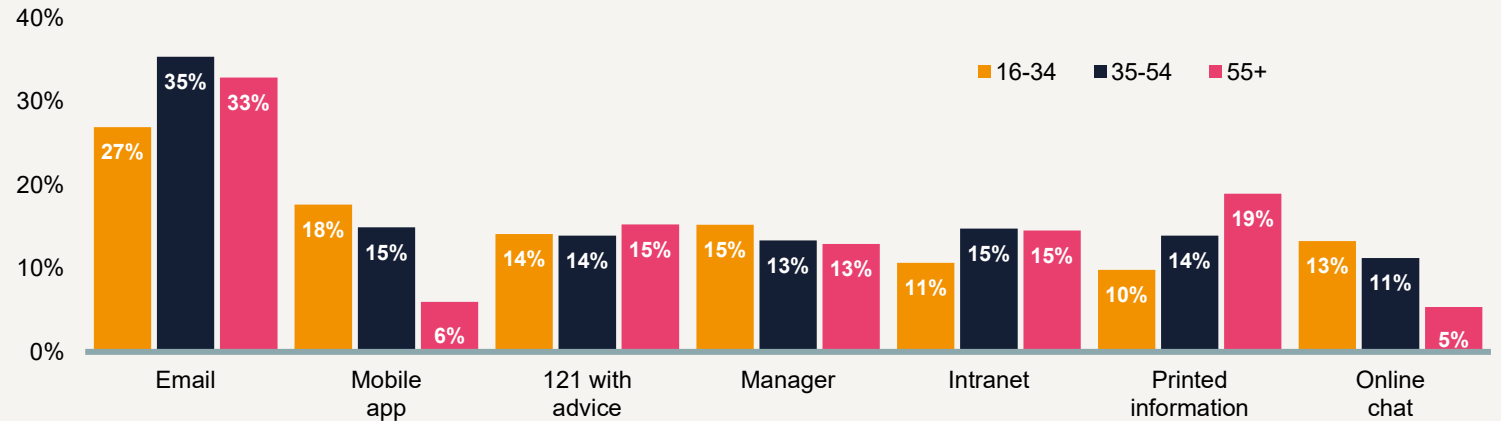
Today's workforce spans multiple generations, each with distinct expectations for how they access information and interact with their pension. Younger members often look to digital content and social channels, whereas older generations may prefer structured guidance or workplace-based support.

For providers, adapting to this landscape is vital. Strong member engagement is increasingly linked to better retirement choices, improved savings behaviours, and ultimately better outcomes at retirement.

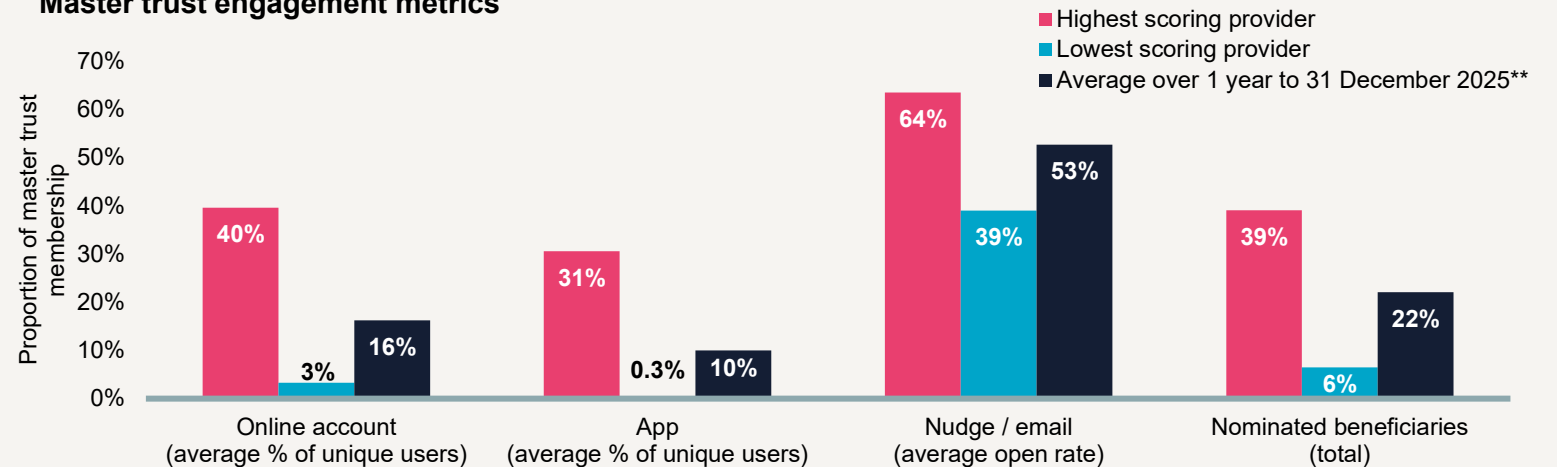
Providers that can tailor communications, leverage a mix of traditional and emerging multi-media channels, and deliver timely nudges or tools are more likely to support members in building financial confidence, and therefore staying on track with their long-term retirement goals.

**Providers that communicate across multi-media channels to recognise everyone is different are more likely to be successful in supporting members with their financial confidence.**

Benefit communication preferences by age group\*



Master trust engagement metrics



\*Source: LCP Insights – Employee wellbeing: building brighter futures 2025

\*\*2 providers as at 30 September 2025

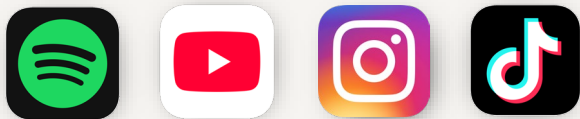
# Member engagement (continued)

## Providers are looking beyond their usual platforms

An increasing proportion of the workforce are looking to social media for financial information. The rise of 'finfluencers' has raised significant concerns around misinformation and scams because these individuals are often not authorised to give financial advice.

We looked at the presence of pension providers on social media platforms; around 92% are posting content on YouTube and 62% have a Spotify podcast; however, their presence on Instagram and TikTok is much lower at 54% and 38% respectively, which are particularly popular apps amongst the younger generation.

There is a large disparity in the type of content being posted by providers on these platforms – some, like Scottish Widows and L&G, are regularly posting and have even partnered with influencers to appeal to younger savers, whilst others are focussed on long-form content such as YouTube videos and podcasts.



## Where do employees go when looking for financial information?\*

Age	Martin Lewis	Friends or Family	Financial Adviser	Product Provider e.g. Pension	YouTube	My Workplace	Social Media	Newspaper, TV or Radio	Artificial Intelligence
16-34	26%	35%	29%	16%	21%	15%	19%	10%	11%
35-54	46%	32%	32%	21%	15%	13%	10%	11%	7%
55+	54%	26%	34%	29%	6%	7%	3%	13%	2%

**Presence and regular posting on social media channels is becoming increasingly important to capture a wider audience but also mitigate potential misinformation.**

\*Source: LCP Insights – Employee wellbeing: building brighter futures 2025

# Financial confidence and understanding

## Data driven insights – understanding members financial context

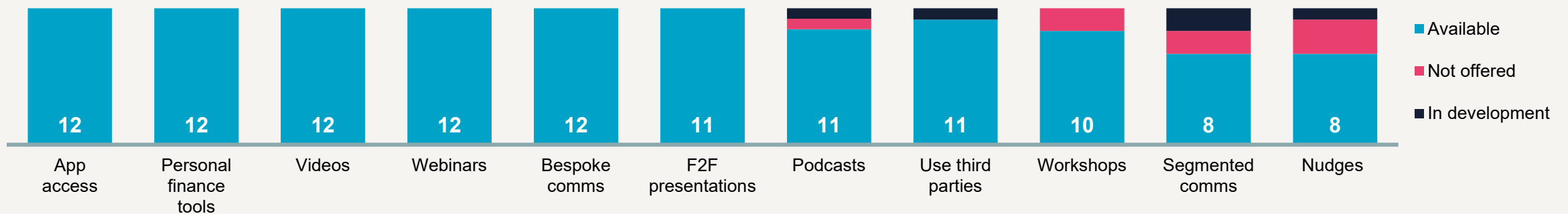
Our insights, drawn from 50,000 employees over the last six years, highlight the wider financial context in which master trust members make decisions about their pensions.

A key finding is that almost half (49%) of working-age savers lack confidence in managing their everyday finances, particularly early in their careers (70% of those aged 24 and under). This confidence does improve slightly with age but financial pressures during their working life can undermine engagement with longer-term savings and impact how they feel about their financial futures.

While auto-enrolment has successfully increased pension participation, our data shows that a significant proportion of employees still feel uncertain about retirement outcomes and lack understanding around how today's savings translate into future income.

This reinforces the role master trusts can play beyond acting solely as a savings vehicle. Supporting financial understanding and confidence alongside pension provision through clear communication, accessible tools and wider financial understanding can help members engage earlier, make more informed choices, and ultimately improve longer-term retirement outcomes.

## Overview of financial education offerings from providers

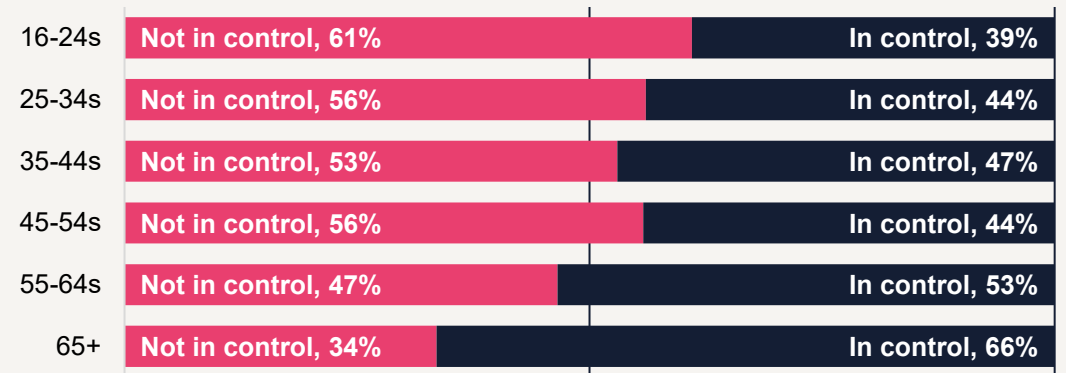


\*Source: LCP Insights – Employee wellbeing: Building brighter futures 2025

## How do employees feel about their financial future?\*

Despite higher pension participation, many employees still do not feel in control of their financial future, particularly at younger ages. Confidence improves over time, but a sizeable proportion of working-age savers remain unsure whether they are on track for retirement.

This reinforces the importance of earlier, clearer support to help members understand their position and make informed choices.



# What are the key takeaways?

The key takeaways from this year's report are:



The provider landscape is continuing to change, with continuous developments and enhancements to propositions for the benefit of employers and members.



The Government is pushing ahead with reforms in the Pension Schemes Bill which is likely to result in further consolidation of the master trust market, despite transition plans for those that won't 'make the cut' by 2030. This is an increasingly important consideration when selecting a master trust.



Decumulation options are evolving into broader support solutions rather than simply investment and product propositions. This was the most notable area of development over the last year and one in which a range of providers are set to bring solutions to market over the next 12 months.



It's positive to see improvements in the quality of service members are receiving but we do not have total confidence in providers' abilities to manage increased call volumes and workloads during volatile periods, for example on the back of pre-budget rumours and speculation. Lobbying by industry to minimise such speculation will help mitigate this risk in the future.



Engagement in DC schemes is similar to last year with some providers having success in getting DC savers to engage with key tasks or via certain channels (e.g. apps). A multi-media approach, including the various social media platforms, is vital to recognise that different age cohorts prefer to engage in different ways, as well as recognising the importance of supporting employees' general financial health.

This report, alongside our report reviewing default investment strategies, has highlighted how important key features of proposition design and investments are to deliver good outcomes for members and how in-depth research and analysis is required to select and carry out ongoing oversight of a master trust or GPP solution. Proposition development is set to continue apace over the next 12 months, underpinned by rising expectations from the Government and regulators, clients and, most importantly, DC savers. If you are considering a move to a master trust or reviewing your existing master trust or GPP, it is essential you stay on top of these developments to ensure you select a provider that's able to deliver a solution that meets your members' needs.

LCP can help you remain up to date with the evolving provider landscape and ensure that you are fully informed as your scheme takes its next step. Our market-leading research and expertise can help you understand which master trusts are well-placed to thrive in the highly competitive provider landscape. If you need support in an upcoming project, we have the tools to help you get to the right outcome.

# Contact us



**Rachel Crowther**  
Partner

+44 (0)1962 873377  
rachel.crowther@lcp.uk.com



**John Reid**  
Principal

+44 (0)20 7432 7787  
john.reid@lcp.uk.com



**Heidi Allan**  
Principal

+44 (0)20 3314 4379  
heidi.allan@lcp.uk.com



**Emily Harper**  
Associate Consultant

+44 (0)1962 873 342  
emily.harper@lcp.uk.com

**At LCP, our experts help to power possibility by navigating you through complexity to make decisions that matter to your business and to our wider society. We are powered by our desire to solve important problems to shape a more positive future. We have market leading capabilities across pensions and financial services, insurance, energy, health and analytics.**

Lane Clark & Peacock LLP is a limited liability partnership registered in England and Wales with registered number OC301436. LCP is a registered trademark in the UK and in the EU. All partners are members of Lane Clark & Peacock LLP. A list of members' names is available for inspection at 95 Wigmore Street, London W1U 1DQ, the firm's principal place of business and registered office. Lane Clark & Peacock LLP is authorised and regulated by the Financial Conduct Authority for some insurance mediation activities only and is licensed by the Institute and Faculty of Actuaries for a range of investment business activities. © Lane Clark & Peacock LLP 2026

<https://www.lcp.com/en/important-information-about-us-and-the-use-of-our-work> contains important information about LCP (including our regulatory status and complaints procedure), and about this communication (including limitations as to its use).

