

Pensions administration: challenges and opportunities

3 MINUTE READ

Tom Oakley & Jo Fellowes

Earlier this year we conducted a survey to understand current views on pensions administration, the challenges and opportunities. Here's what we found out...

Member experience remains a top priority

Asked to rank the three most important things clients expect from their administrator, 89% of respondents selected:

Customer service ethos that delivers a good member experience



89%



Pensions administration lies at the heart of member outcomes and good governance. The response to this question validates that trustees and pensions managers continue to prioritise the expectation of a good member experience over other activities being managed by administrators.

Secure and integrated administration technology key

Implementing technologies improves efficiency, reduces risk of manual errors and can improve member engagement through, for example, self-service capabilities for members.



When looking at priorities, integrated administration technology and automation was selected by just over half of respondents.



A similar spread of responses was observed on the topic of 'Robust IT and security infrastructure that manages operational risk'. Pension schemes are vulnerable to cyber-attacks given the large amounts of personal data and assets, which means cyber resilience is included in the top three expectations of administration providers.

Data and capacity front of mind

When asked about the largest administration risks, 47% of respondents cited:

The ability to progress data rectification and other projects



47%



This is not surprising in a period where many schemes are looking to tackle GMP equalisation, dashboard readiness and potentially manage data activities in preparation for a transaction, or another scheme project at the same time.

Regular reviews important

'Developments in the administration industry makes regular reviews important' and 'service reviews should be continual' were comments cited by the participants in the survey.

Of everyone surveyed,

53%

said administrator contracts should be reviewed between 1-5 years.




We believe it is important to adopt regular performance discussions and properly document any changes to scheme requirements, or scope, during the term. This aligns expectations and supports ongoing clarity, which is good governance.

However, trustee oversight of their administrators should be continual and it's important to build a strong partnership with administrators to facilitate strong levels of engagement.

Our survey also shows that satisfaction with administrator services varies considerably. When asked to rank the satisfaction of service with administration providers between one and ten (ten being the most favourable), 33% of respondents selected a rating of 7/10. However, the range of total responses varied between 1/10 and 9/10.

In a nutshell, this all points to the importance of good, resilient pensions administration.

In 2025, initiatives such as Pensions Dashboards and value for money, alongside GMP equalisation and the increasing importance of cyber resilience are ongoing factors that all need close attention by trustees. It's important that trustees exercise good, continual oversight of their administrators during this time.

If you want to maximise the relationship and member experience with your current administrator, or see how service compares with other administrators, we're here to help. Our independence, coupled with a broad knowledge of the administration market, means we provide unconstrained advice that reflects your unique requirements. 

Muse has been at the forefront of working with trustees and sponsors for the last eighteen years, helping them deliver the best possible pension scheme administration service to their members and employees.