FCA
Financial Services
Consumer Panel

Telephone: 020 7066 9346
Email: enquiries@fs-cp.org.uk

27 July 2026

By email: caxtonhouse.automaticenrolmentconsultation@dwp.gov.uk

Dear DWP,

Financial Services Consumer Panel response to:
Automatic enrolment: alternative quality requirements for defined benefit, hybrid and collective defined contribution schemes being used as a workplace pension

The Financial Services Consumer Panel (the Panel) welcomes the opportunity to respond to the DWP's consultation paper (the CP) titled Automatic enrolment: alternative quality requirements for defined benefit, hybrid and collective defined contribution schemes being used as a workplace pension. We are an independent panel that represents the interests of consumers of financial services including both individuals and small businesses. Our focus is on the outcomes and impacts to these stakeholders.

Our efforts are concentrated predominantly on the work of the FCA; however, we also look at the impact on consumers of other bodies' activities and policy where relevant to the FCA's remit. We are strong proponents for ensuring that regulatory treatment is equivalent for the same regulatory risks regardless of regulator. Furthermore, given the critical importance to consumers, pensions and their protections are a key theme for the Panel. For these reasons, we believe it is important for us to respond to this DWP consultation.

The Panel very much appreciates that there is a required periodic review of the regulations established by the Pensions Act 2008 which introduced automatic enrolment. Given the critical importance of automatic enrolment to the pensions savings of the general population, it is essential to ensure that policy objectives are effective and continue to be met, the regulations operate effectively, and whether any new concerns or unintended consequences have surfaced.

We also appreciate that the current review is specific to requirements of the Act that an employer / provider uses to demonstrate that an automatic enrolment scheme achieves sufficient quality. It is helpful that the review discusses a full range of automatic enrolment structures: defined benefit (DB), defined contribution (DC), collective defined contribution (CDC) schemes, and hybrid schemes. Furthermore, it is inclusive of both single or connected employer and unconnected multiple employer CDC schemes.

When looking back, we believe that the types of respondents – actuaries, pension administrators, etc - that provided feedback to the last review in 2023[1] are well placed to assess the technical details of whether schemes can and do continue to meet the expectations articulated in current legislation.

However, when looking forward, whilst auto enrolment has led to a significant increase in pension savings, the recent Pensions Commission interim report[2] raises many issues that are still to be resolved. Therefore, the Panel suggests that a larger range of stakeholders are engaged in this, other relevant consultations and engagement efforts. In order to support this, the Panel suggests that the DWP provide more analyses, e.g., comparing automatic enrolment (and the alternative quality requirement tests) across the various pension scheme structures (DB, DC, CDC, hybrid) to show key metrics such as the estimated income for life per saver as a percentage of their earnings, the number of participants in each category, the number of opt-outs, etc.

Furthermore, given that, at the time of the next required review, automatic enrolment will have been in place for over 15 years and that pension dashboards will be publicly available, the Panel believes that it is now time for the DWP to begin to engage with consumers using several different mechanisms:

- citizen assemblies / workshops to gain an understanding of the strengths and weaknesses of the current pension system, as well as potential suggestions for future changes,
- a survey covering a representative sample of the UK population to determine the level of satisfaction with the pension system, what works and what doesn't work,
- a public consultation to gain greater understanding of the public's desire for proposed changes to the system.

We believe that this will ensure that the DWP's efforts to work towards a world-class pension approach that meets the needs of all UK consumers will be successful; we look forward to continuing to support the DWP on this journey.

Yours sincerely,

Chris Pond
Chair, Financial Services Consumer Panel

---

[1] Government response to Automatic enrolment: Alternative quality requirements for defined benefits and hybrid schemes being used as a workplace pension - GOV.UK

[2] The Second Pensions Commission - Pensions 2050: Evidence and Future Priorities - Interim Report