

Governing Administration in a Consolidated Market

What structural change means for trustees, providers and
the industry

February 2026 | A KGC Associates Research Paper

Executive Summary

Over the past sixteen years, consolidation has reshaped the UK pensions administration market. While often discussed in commercial terms, its most material consequences are operational.

Our analysis highlights five key observations:

- 1. Consolidation has been continuous, not cyclical** – Structural change has occurred in almost every year since 2009, reshaping ownership, scale and delivery models across the market.
- 2. Risk has not disappeared, it has concentrated** – Fewer providers now support larger member populations, hold more legacy data and manage multiple concurrent transitions.
- 3. Governance risk increasingly sits upstream of service performance** – Ownership change, platform migration and capacity constraints can materially affect outcomes before they are visible in SLA reporting.
- 4. Peer behaviour signals operational pressure** – Acquisitions, exits and diversification strategies often reflect underlying capacity, cost and complexity dynamics within the market.
- 5. Administration now functions as critical infrastructure** – Resilience is no longer solely a firm-level issue. It depends on how effectively change is governed and absorbed across the system.

The next phase of market evolution will be defined less by further consolidation, and more by how effectively trustees, administrators and the wider industry manage the structural consequences of the consolidation that has already occurred.

Foreword

Over the past decade, the UK pensions administration market has undergone sustained structural change. Consolidation and evolving delivery models have reshaped how administration is delivered, funded and governed.

Much of the public discussion has focused on scale, efficiency and professionalisation. Those developments matter. However, structural change also alters how operational risk is distributed across the market. As providers grow larger and become more interconnected, the consequences of disruption extend beyond individual schemes.

This paper considers what that shift means for trustees, administrators and the industry as a whole. It argues that pensions administration is no longer simply a back-office service, but a form of critical operational infrastructure supporting member outcomes at scale.

In this context, resilience cannot be assessed solely through service metrics or short-term performance. It must be understood in terms of governance discipline, change management, investment continuity and the collective capacity of the market to absorb disruption.

We hope this contribution supports a broader and more forward-looking discussion about how administration risk is overseen in a consolidating market.



Hayley Mudge, Author
Head of Research

Contents

Introduction	4
Market Landscape	5
Why Stability Is Not Scale	9
What Administrator Behaviour Signals	16
Administration As Critical Infrastructure	23
The Bigger Picture	31

Introduction

This series began as a straightforward exercise: to map how the UK pensions administration market has changed over time, in preparation for our next administration survey. What emerged was something more consequential.

As we charted exits, mergers, acquisitions and new entrants across the market, it became increasingly clear these changes are not simply about firm-level strategy or competitive positioning. They reflect deeper structural shifts in how pensions administration is delivered, governed and sustained; they carry implications extending well beyond individual providers.

Over the past decade and a half, the administration market has become more consolidated, more interconnected and more operationally concentrated. Providers have exited, businesses have been reconstituted, and scale has increasingly been pursued as a means of managing cost, complexity and risk. At the same time, the capacity, people and platforms underpinning administration have become shared dependencies across the industry.

These developments raise important questions. How is the industry responding to this new landscape? What does consolidation signal about operational pressure and resilience? And how should trustees think about the stability of their own administrator when change elsewhere in the market can have indirect but material effects?

This series explores those questions from multiple perspectives. It considers how consolidation has reshaped the administration market; what it means for trustee governance; how administrator behaviour can be read as a signal of underlying operational dynamics; and why administration should increasingly be viewed as a critical industry infrastructure rather than a routine outsourced service.

Throughout, we apply KGC's operational governance lens. Rather than focusing on individual firms or short-term performance, we look at how structure, ownership and capacity influence risk, resilience and member outcomes over time. The aim is not to predict failure, but to better understand how the system now behaves, and most importantly, what good governance looks like within it.

Market Landscape

This timeline shows how the UK pensions administration and consulting market has evolved over the past 16 years from our first Administration Survey in 2009. Over this time, acquisitions have been a constant theme. But there have also been significant numbers of mergers, exits and new entrants. Firms with no structural change are shown separately at the end to keep the timeline clear (this maps firms who have participated in our Administration Surveys).

2009–2010: Early Consolidation

2009

- **HSBC Actuaries & Consulting (HACL)** → acquired by **JLT** → *brand ceased*

2010

- **Hewitt** → acquired by **Aon** → *Aon Hewitt* (Hewitt brand dropped in 2017)
- **EHRO** → acquired by **ACS** → *brand ceased*
- **HS Admin** sold by **Aegon** to **Goddard Perry**

2012–2014: Growth & Market Exits

2012

- **Bluefin** → acquired by **Capita Hartshead** → both *brands ceased*
- **Capita Employee Benefits** → created from Capita Hartshead & Bluefin

2013

- **Xafinity Paymaster & Xafinity Claybrook** → consolidated into **Equiniti** (Equiniti Paymaster & Equiniti Claybrook, Paymaster & Claybrook dropped from brand in 2020)
- **Xafinity Consulting (Xafinity)** acquired by CBPE Capital
- **Heath Lambert Consulting (HLC)** → acquired by **Gallagher** → *brand ceased*
- **Ashcourt Rowan** → exited the market

2014

- **PBSL** → exited the market
- **MNPA** → acquired by **JLT** → *brand ceased*
- **ACS (Xerox)** → administration business became **Conduent**

2016–2017: Rebranding & Strategic Withdrawals

2016

- **Willis Towers Watson** → created following **Willis & Towers Watson** merger

2017

- **BlackRock** → exited pensions administration
- **Mitchell Consulting** → acquired by **Broadstone** → *brand ceased*

2018–2019: Rebrands & Expansion

2018

- **Punter Southall** → acquired by **Xafinity**
- **Xafinity & Punter Southall** → **XPS** new brand created
- **Conduent** → **Buck** brand reinstated

2019

- **JLT** → acquired by **Mercer** → part of **MMC**
- **Thomson Dickson Consulting (TDC)** → acquired by **Broadstone** → *brand ceased*
- **BBS Consultants & Actuaries** → acquired by **Broadstone** → *brand ceased*

2020–2021: New Entrants from Exits

2020

- **KPMG** → exited pensions administration
- **Isio** → created from KPMG's pensions administration exit

2021

- **Quattro** → acquired by **Broadstone** → *brand ceased*
- **RPMI** → rebrands as **Railpen**

2022–2023: Accelerated Consolidation

2022

- **Premier Pensions Management** → acquired by **Isio** → *brand ceased*
- **HS Admin** rebranded to **HS Pensions**, later sold to **Link Group** → *brand ceased*
- **Spence & Partners** → received private equity backing from Synova

2023

- **Deloitte** → administration business acquired by **Isio**
- **Buck** → acquired by **Gallagher** → *brand ceased*
- **WTW** → WTW brand formally adopted

2024–2025: New Market Structure

2024

- **MMC** → hived off administration business, new market entrant **Aptia** created
- **Link Group** acquired by **Mitsubishi UFJ Trust & Banking Corporation** and rebranded as **MUFG Pension & Market Services**

2025

- **Aptia** → acquired **Atkin & Co**
- **Gallagher** → acquired **First Actuarial**
- **Broadstone** → acquired **Railpen's** third party administration business
- **Barnett Waddingham** → joined the **Howden Group**

Firms With No Structural Change Over the Period

- LCP
- Hymans Robertson
- Trafalgar House
- Quantum
- Cartwright

Key Themes Emerging

- Sustained consolidation
- New entrants formed from exits
- Decline of standalone administrators
- Private equity and insurance-backed ownership models

The timeline since 2009 illustrates the market has been in a state of continuous structural change. Consolidation is not cyclical, acquisitions, mergers, exits and reconfigurations have been a persistent feature of the UK pensions administration and consulting landscape.

Several patterns stand out:

- It seems scale has increasingly been pursued as a means of managing cost, complexity and regulatory expectation
- Where new entrants have emerged, they have overwhelmingly done so through disruption, carve-outs, exits and iteration
- Structural change, rather than organic growth, has been the primary mechanism by which the market has evolved
- The number of firms operating with unchanged ownership and operating models has steadily reduced

Overall, the market is now more concentrated, more interconnected and more dynamic, with implications not just for providers but for governance, stability and operational risk across the industry.

The following sections explore those implications in more detail, moving from market structure to governance, behaviour and resilience. We will take a deeper dive into how the market landscape changes have impacted trustees, administration providers themselves and the wider industry.



**Consolidation hasn't
removed risk.**

It's concentrated it.

Over 16 years, the UK pensions administration market has moved towards fewer, larger providers.

Structural change reshapes risk, even when service appears unchanged.

Why Stability Is Not Scale

Trustee governance in a consolidated administration market

The Trustee Perspective

The following insights reflect patterns we see repeatedly in practice and draw on our long-term observation of the UK pensions administration market. This is informed by two decades of independent research, operational engagement, and governance-focused advisory work with trustees and providers. Since 2009, this has included carrying out administration market surveys, providing us with a consistent view of how operating models, capacity and service delivery has evolved.

For trustees, consolidation in the pensions administration market is often experienced indirectly. Changes tend to occur outside the scheme's immediate control, through provider mergers, ownership change, platform transitions or market exits. Yet their consequences are felt directly in service continuity, data integrity and member outcomes.

Historically, trustee governance of administration has focused on service performance within an established provider relationship. In a more stable market, this was often sufficient. Today, however, structural change in the administration landscape means risk increasingly arises from how administration is owned, organised and resourced, not solely from day-to-day service delivery.

As providers consolidate and operating models evolve, trustees are more exposed to risks sitting upstream of traditional oversight mechanisms: capacity constraints, transition risk, and decisions taken at group level that may reshape delivery without a formal re-tender or decision point. These risks are not visible through standard reporting, but they can have material implications for scheme stability and member experience.

This section considers how trustees should interpret these market dynamics through a governance lens. It explores why scale does not automatically equate to stability, how ownership complexity changes the nature of oversight, and why market exits are increasingly relevant to trustee risk management, even where a scheme's own administrator appears unchanged.

What matters operationally, even
when it's not always visible
contractually

Stability is not Scale

One of the most consistent patterns we observe is structural stability is often a better indicator of service continuity than organisational size. The five remaining firms without any structural change are a real mix in terms of size from large Employee Benefit Consultancies (EBC's) to smaller EBC's and two stand-alone administrators.

Administrators which have avoided repeated ownership change, platform migration or operating-model redesign typically:

- experienced fewer disruptive transition events
- retained scheme-specific knowledge for longer
- operated within more predictable delivery frameworks

From a governance standpoint, this matters because trustees ultimately manage operational risk, not brand strength. Size may offer financial resilience, but it does not remove the execution risks associated with consolidation.

KGC Insight:

Trustees should treat frequent structural change as an operational risk factor to be actively governed, rather than a neutral commercial event. The market is very acquisitive, and we believe more change is on the horizon. Attrition rates of administrators' employees should be of interest. We are all aware of the capacity and resourcing issues, further changes in the market will continue to impact these.



Ownership complexity has governance consequences

The market has increasingly moved towards group ownership structures, carve-outs and spinoffs. In many cases, trustees now contract with an administrator whose:

- strategic priorities are set outside the administration function including decisions around:
 - investment, systems, pricing, future acquisitions and/or exit strategy
- investment horizons driven by group or shareholder objectives
- operating models are subject to future change beyond trustee control

The organisation delivering day-to-day services to a scheme is often not the organisation making the most important strategic decisions about administration and this separation creates governance risk if it's not properly understood and managed.

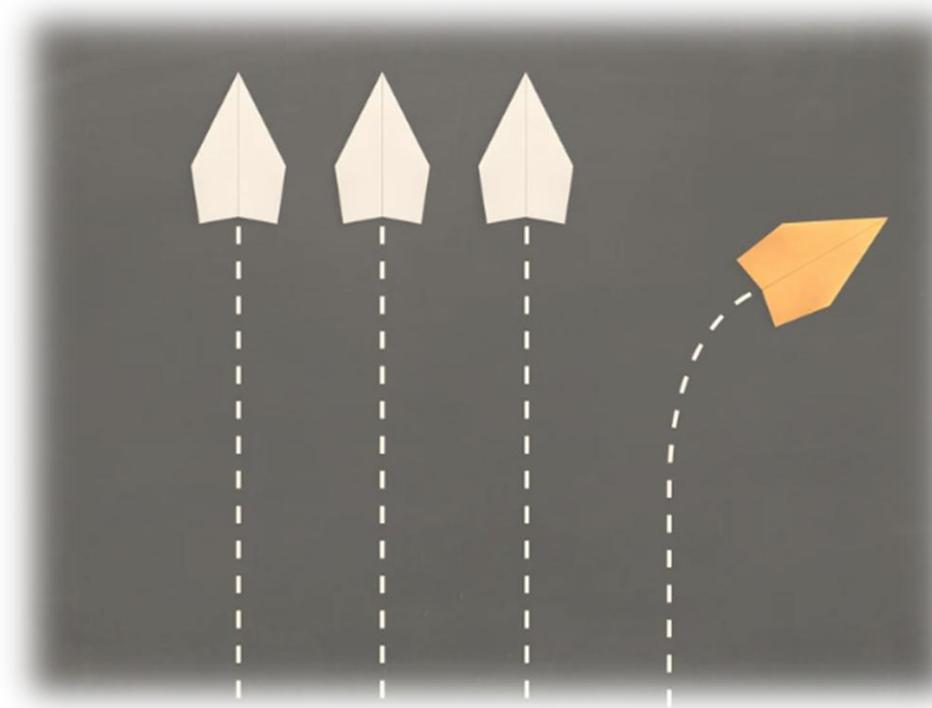
KGC Insight:

While these structures are not inherently negative, they create governance blind spots if not explicitly addressed. Trustees need greater clarity over:

- where administration sits within their provider's wider group
- how future ownership change is managed operationally
- if they find their provider is part of an acquisition, what protections exist during periods of transition

Even where long term relationships and stable Business As Usual (BAU) service exists, trustees may still be exposed to a re-location of services, disruption through the integration of newly acquired clients and cost driven model changes. They could be exposed to all these risks without a re-tender, formal decision point or influence.

Administration oversight is not about SLAs; it's about understanding who ultimately controls the operating model and mitigating the associated risks.



Market exits are a feature, not a failure.

But they are not consequence free

The withdrawal of well-known firms from pensions administration reflects a structural reality – administration is operationally demanding, margin-sensitive and risk-intensive. We are already experiencing a shortage of experienced administrators and when a provider exits the market, capacity does not always reappear elsewhere. This then has a domino effect on capacity restraints for BAU and all other projects demanding attention, coupled with growing regulatory and data demands.

Exits and acquisitions therefore warrant enhanced trustee scrutiny of continuity, data ownership and transition governance.

From a trustee perspective, exits should not automatically be read as negative. Governance usually takes the form of performance monitoring, breach reporting and SLA compliance but a provider exit shines the light on data ownership, continuity planning and market capacity awareness. All of which are not always consistently applied or stress tested. Most of the time, responses are made quickly and without the benefit of a more structured review.

KGC Insight:

To date, much of the market has optimised for commercial efficiency rather than operational resilience. However, regulatory focus is now extending beyond day-to-day administration quality to include financial resilience and continuity of service. The Pensions Regulator (TPR) has also turned its attention firmly towards the administration ecosystem, evidenced by its updated Administration Guidance released in December 2025.

When an administrator exits or reshapes its presence, trustees should focus less on why and more on how the transition is governed, including data integrity, resource continuity and accountability during change. Capacity risk should be considered alongside covenant and funding risk. Trustees should also consider what they would do if their current provider exited the market.



Bringing Governance Upstream

Taken together, these observations highlight a shift in where administration risk now sits for trustees. In a consolidated and continuously evolving market, the most material risks increasingly arise outside the day-to-day service relationship, shaped instead by ownership structures, operating model change and market capacity.

Traditional oversight mechanisms remain necessary, but they are no longer sufficient on their own. Performance reporting and SLA monitoring tend to reflect outcomes once change has already occurred, whereas many of the most consequential risks now emerge earlier – when providers consolidate, exit, reconfigure or rebalance investment priorities at group level.

For trustees, this does not imply consolidation is inherently problematic, nor that size or scale should be avoided. It does, however, underline the importance of understanding how an administrator's stability is created and maintained, how future change is governed, and where trustees sit in relation to decisions which may materially affect delivery.

In this context, effective trustee governance increasingly requires a broader, more upstream lens. One considering structural stability, ownership complexity and market exits as core components of operational risk management, rather than peripheral market activity. The challenge is not to predict change, but to ensure governance frameworks are robust enough to accommodate it.



Stability Is Not Scale.

In a consolidated administration market, size alone doesn't determine resilience.

Stability is shaped by ownership structure, operating model change and how risk is governed through transition.

What Administrator Behaviour Signals

Peer dynamics in a consolidating administration market

The Administrator Perspective

For administration providers, consolidation is not an abstract market trend but an operational reality. Changes in ownership, scale and service scope are experienced through migration pipelines, platform decisions, resourcing pressures and evolving delivery models. Peer behaviour such as acquisitions, exits, diversification or strategic pauses, provide valuable signals about where operational pressure is emerging across the market.

In a consolidated environment, administrators do not operate in isolation. They share labour pools, specialist skills, platforms and transition capacity. As a result, strategic decisions taken by one provider can have indirect but material consequences for others, shaping capacity, risk and service resilience beyond organisational boundaries.

Historically, peer activity has often been interpreted through a competitive lens. In the current market, however, peer behaviour is more usefully read as an indicator of operating reality rather than a measure of success. Patterns of consolidation, diversification and exit reflect how firms are responding to cost, complexity, regulatory expectation and the practical limits of delivery capacity.

This section explores what administrator behaviour signals about the underlying health of the administration ecosystem. It considers why pure administration models have become the exception, how different consolidation strategies reveal distinct operational pressures, and why shared capacity constraints mean peer decisions increasingly shape risk for the market as a whole.

How administrators position themselves and what that signals operationally

Administration is rarely sustained as a standalone proposition

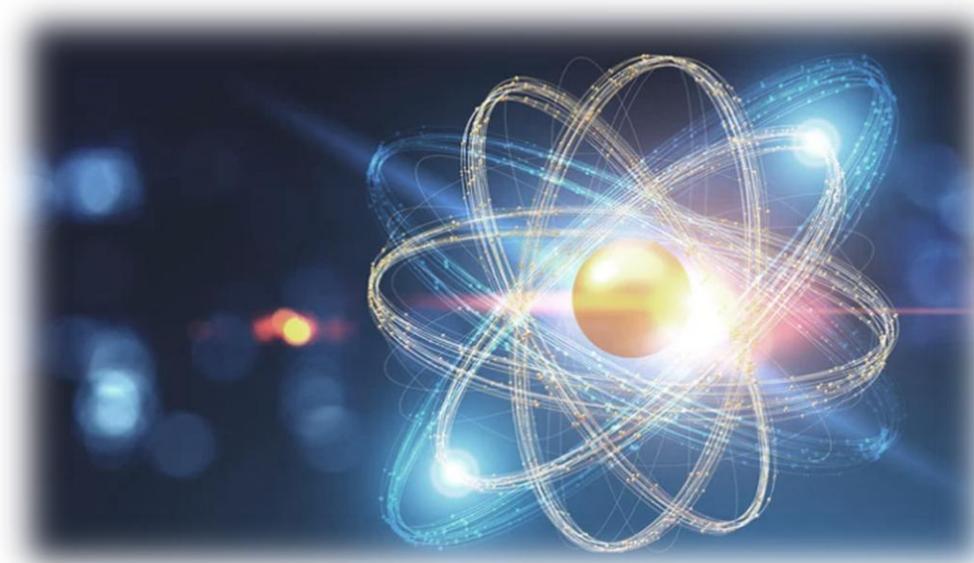
Most firms originating as administration-focused businesses ultimately add advisory or complementary services. This reflects the capital-intensive, low-margin and disruption-prone nature of administration. As a result, many firms have chosen to:

- diversify revenue streams
- cross-subsidise administration investment
- integrate administration within wider consulting or advisory propositions

In 2026, Equiniti and Trafalgar House remain the only pure TPA's. In 2025 Aptia moved away from standalone administration through its acquisition of Atkin & Co and Railpen was acquired by Broadstone.

KGC Insight:

Where peers move towards broader service models, it's often less about growth ambition and more about sustaining the level of investment and resilience modern administration requires. We believe the survival of pure administration requires exceptional control of cost, process, data and people.



Consolidation strategies reveal where operational pressure sits

When comparing the different strategies, we can see where different internal pressures and risk concentrations lie:

- **Scale-led consolidation** – these often reflect a drive to spread fixed cost, but raises sustained migration, knowledge-retention and people risk, and short-term service volatility. Scale strategies require highly structured transition discipline, otherwise service risk leaks into the wider market and can potentially damage confidence across providers, not just one firm
- **Capability-led acquisitions** – these increase technical depth, but can create fragmented operating models if integration is slow or partial. Capability acquisition only works if operating models are deliberately aligned, otherwise, complexity becomes the hidden tax on growth
- **Administration embedded within broader service models** – these can stabilise investment, but may dilute administration priority if governance is weak
- **Exit-driven growth** – these create opportunity, but expose receiving firms to inherited data issues and compressed transition timelines

As administrators take on larger, more complex books of business, administration increasingly functions as critical operational infrastructure. As now recognised by TPR.

Repeated acquisitions highlight a recurring challenge - systems can be bought, books can be transferred **but** operational coherence takes years to embed.

KGC Insight:

How peers grow is often the clearest indicator of what they are trying to solve operationally. And as a result where delivery risk is most likely to surface next (migration load, platform complexity, investment prioritisation, or capacity shock).

Consolidation does not remove operational risk, it redistributes it. Each strategy creates a different risk signature, but none are risk-free. The danger lies in failing to align governance, investment and operating controls to the chosen path.



Peer strategies directly affect shared capacity

Administrators operate in a shared ecosystem: the same labour pool, migration specialists and delivery constraints. Across the market, structural change has consistently driven:

- experienced administrators becoming scarcer
- erosion of scheme-specific knowledge
- transition teams becoming a bottleneck
- potential market-wide delivery standards degrading under strain

KGC Insight:

Capacity is now a market-level constraint. One provider's consolidation programme can materially impact another's ability to deliver BAU and change. Operational resilience is increasingly tied to a firm's ability to retain and develop experienced administration talent through periods of uncertainty. The resource pool is quickly drying up, administrators are struggling to recruit skilled people from both inside and outside of the industry.

Governance frameworks ignoring people risk are, in our view, incomplete.

Positioning matters more than scale

In our experience firms which appear most resilient are not always the largest, but those who:

- are clear what administration represents within their business
- invest consistently in people, systems and controls
- govern change explicitly rather than absorbing it informally

The fact some firms have remained structurally unchanged over an extended period highlights acquisition is not the only route to resilience.

KGC Insight:

In the current market, sustainable performance is increasingly a function of operational governance maturity, particularly around change control, capacity management, data discipline and knowledge retention. Peer behaviour is a map of operational pressure, not a scoreboard of success. Administrators which understand what peer moves signal, and govern their own growth accordingly are often better placed to deliver stability in a consolidated, resource-constrained market.

Reading the signals across the market

Viewed together, administrator behaviour provides insight into how operational pressure is being managed across a consolidating market. Diversification, acquisition, pause or exit are not simply strategic choices. They are responses to the practical realities of delivering administration at scale within constrained capacity, regulatory expectation and evolving member needs.

The diversity of consolidation strategies highlights there is no single operating model guaranteeing resilience. Different approaches distribute risk in different ways, shaping exposure to migration complexity, people retention, operating-model coherence and investment discipline. In this context, peer behaviour is most usefully interpreted as a signal of where pressure sits, rather than as a measure of success or failure.

As administration becomes increasingly embedded within wider service propositions and shared delivery ecosystems, the consequences of individual strategic decisions extend beyond organisational boundaries. Capacity, capability and confidence are no longer self-contained. The ability of the market to absorb change depends as much on collective sequencing and governance as on individual execution.

What distinguishes the more resilient providers is not scale alone, but the extent to which their operating models remain coherent as ownership, scope and delivery environments evolve.



Reading the signals matters.

In a consolidating administration market, administrator behaviour provides early signals of how operational pressure is being managed.

From capacity and migration load to investment and delivery risk, these signals shape resilience across the ecosystem.

Administration as Critical Infrastructure

What consolidation means for system-wide resilience

The Industry Perspective

Across the UK pensions industry, administration has historically been treated as a supporting function, essential, but largely invisible when it works well. Structural change in the administration market is challenging this assumption. As providers consolidate, platforms concentrate and capacity tightens, member outcomes are increasingly exposed to the shared dependencies within administration across the system.

These developments matter beyond individual schemes or providers. Consolidation and exit have concentrated operational risk within a smaller set of organisations. At the same time, the people, processes and transition capability required to deliver administration are increasingly shared across the market. This means disruption in one part of the system can have indirect consequences elsewhere, even where direct relationships remain unchanged.

From an industry perspective, this raises questions about resilience, sequencing of change and collective capacity. The issue is not whether consolidation is rational, in many cases it clearly is, but whether the market as a whole retains sufficient ability to absorb change without increasing risk to service continuity, member confidence and industry reputation.

This section considers what it means to view pensions administration as critical infrastructure rather than a routine outsourced service. It explores why operational risk has become more concentrated, how regulatory interest is beginning to reflect this shift, and why resilience now depends as much on coordination and governance across the market as it does on the performance of individual firms.

What the market structure now tells us
about future risk

Administration has become a control point in the pensions ecosystem

Administration now sits at the intersection of:

- data custody
- member experience
- regulatory compliance
- scheme decision-making

It's no longer about retirement calculations or transfer quotes, administrators have needed to diversify their skillsets away from following processes and calculations to being a sympathetic ear to a bereavement case, understanding how to deal with a pensions scam and being able to interrogate data alongside trustees. Administration has earned its place at the table and is finally being valued in line with investment decisions and advice from the Scheme Actuary.

KGC Insight:

This elevates administration from a back-office function to systemically important operational infrastructure, requiring a corresponding shift in trustee governance, sponsor oversight and regulatory focus.



Considerations

For trustees:

If administration is critical infrastructure, then it must be governed, invested in and overseen differently than routine business process outsourcing:

- Administration risk is no longer just a supplier-management issue, it's a core governance risk, alongside funding, covenant and investment
- Trustees should treat administrator stability and capacity as standing agenda items, govern ownership change, platform change and transitions proactively and be more strategic in their questioning. For example, instead of 'are we getting good service?' ask 'is our administrator structurally resilient?'
- Scenario plan the consequences of administrator ownership change, restructuring or exit for them, the sponsor and their members

For sponsors:

This reframes administration from an outsourced cost to a critical operational dependency. Administration failure is no longer an operational inconvenience, it's a business and reputational risk, sponsors need to:

- Understand how administration failure or instability affects payroll, member trust and reputational risk
- Scenario plan the consequences of administrator ownership change, restructuring or exit for them, their trustees and members

For Regulators

As pensions administration underpins benefit accuracy, payment continuity and member outcomes, disruption increasingly has cross-scheme consequences rather than isolated impact. Regulatory interest is already beginning to reflect this shift. There is growing recognition:

- Provider exits and consolidation concentrate operational risk
- Large-scale migrations amplify delivery and data risk
- Capacity constraints limit the pensions ecosystem's ability to absorb change

Regulatory focus is moving beyond individual service failures, towards the resilience of the administration ecosystem supporting member outcomes.

New entrants only emerge from disruption, but there is interest from overseas

Alongside disruption-driven entry, we continue to see interest from overseas-owned groups seeking to access the UK pensions administration market, either through acquisition or direct entry. However, there are high barriers to entry in modern administration.

In practice, many prospective entrants underestimate the structural complexity of the UK environment, particularly the deep operational interdependence between DB and DC administration. For organisations accustomed to more homogeneous, DC-only markets, the UK's long tail of DB schemes, with benefit-specific rules, historic data challenges and scheme-by-scheme customisation presents a material barrier to scale, operational clarity and risk control. This has historically constrained successful greenfield entry.

As the market continues to tilt towards larger-scale DC arrangements and master trust administration, there are early indications some of these barriers may be weakening.

Platform-led propositions, including newer administration platforms entering the UK market suggest prospective entrants are seeking to decouple technology from legacy UK operating models, rather than replicate traditional administration structures wholesale. Whether this approach can translate into sustained competitive entry remains to be seen, but it indicates a gradual shift in the structural dynamics historically limiting overseas participation.

As DB becomes a smaller proportion of new business, future entrants may find the market more accessible. Sustainable participation in the UK market currently still depends on:

- demonstrable DB capability
- disciplined migration and transition governance
- experienced people and resilient delivery models

KGC Insight:

The market is mature and operationally complex. Innovation tends to come from restructuring existing capability rather than genuine greenfield entry. The UK administration market has not lacked overseas interest. It's lacked operating models capable of absorbing DB complexity at scale. Although technology may lower barriers to entry, it does not remove multi-layered operational demands.

In our experience, increased overseas and platform-led interest does not reduce procurement risk, it changes its shape. Selection decisions with over-weighting on technology or price, without evidence of delivery through UK-specific change and complexity, could materially increase transition and service risk.

Risk has concentrated, not disappeared

While the number of providers has reduced, the scale of individual administrators has increased significantly, each one:

- supports more members
- holds more legacy data
- runs more migration simultaneously

Systemic risk is now concentrated, a major platform **and/or** business failure would affect:

- hundreds of schemes
- millions of members
- multiple trustees at once

KGC Insight:

From a system-wide governance perspective, the industry now carries more concentrated operational dependency than it did a decade ago. Resilience depends not just on individual organisation performance, but on collective standards, transparency and operational discipline.



Bringing this together: resilience at system level

Viewed through an industry lens, the evolution of the administration market points to a clear shift in where operational risk now sits. Administration has moved from a largely invisible supporting function to a central control point within the pensions ecosystem, underpinning data integrity, regulatory compliance, member experience and scheme decision-making.

Consolidation, exit and platform concentration have not eliminated risk, they have redistributed it. As providers grow in scale and complexity, and as capacity, skills and transition capability become increasingly shared, the consequences of disruption extend beyond individual schemes or organisations. The ecosystem's resilience now depends not only on the performance of individual administrators, but on how change is sequenced, governed and absorbed across the market as a whole.

As regulatory interest continues to evolve in this direction, and as trustees and sponsors reassess their own dependencies, the focus increasingly shifts from isolated service outcomes to system-wide resilience. The question for the industry is no longer whether administration can scale, but whether it can do so in a way that sustains confidence, continuity and member outcomes over time.



Administration is now critical infrastructure.

In a consolidated market, resilience depends on how the pensions ecosystem absorbs change.

The Bigger Picture

The next phase of market evolution

Governing Administration in a Consolidated Market

The UK pensions administration market has consolidated structurally but we believe it remains operationally fragile during periods of change. While the number of providers has reduced, the complexity, scale and interdependence of administration activity has increased. **Risk has not been removed; it has become more concentrated and, in some cases, less visible.**

Consolidation has brought clear benefits. It has enabled greater professionalisation, investment in systems and controls, and the development of specialist capability. At the same time, it has increased reliance on a smaller number of delivery platforms and organisations, each supporting larger member populations, holding more legacy data and managing multiple, overlapping transitions. **This concentration is largely unproblematic when change is limited, but it becomes more exposed when the market is absorbing exits, migrations or operating-model redesign.**

For trustees, this elevates administration oversight from a supplier-management activity to a core governance responsibility. The quality of BAU remains important, but it's no longer sufficient as a proxy indicator for long-term resilience. **Administration risk now has a direct bearing on member outcome and scheme risk.**

For administrators, consolidation sharpens the importance of strategic clarity and operating discipline. Scale alone does not guarantee stability. **Resilience appears more closely linked to how clearly administration is positioned within the business, how consistently investment is sustained, and how deliberately change is governed and absorbed over time.**

For the industry, these dynamics underline the extent to which administration now functions as critical operational infrastructure. Disruption no longer affects individual schemes in isolation. **Capacity constraints, large-scale migrations and provider exits have cross-scheme consequences. There should be an appreciation of shared dependencies and standards across the market.**

In our view, the next phase of market evolution will be defined less by the pace of further consolidation and more by how effectively the industry governs and absorbs change.

About KGC Associates

KGC Associates is an independent, research-led pensions governance consultancy specialising in operational oversight and service delivery within complex pension environments.

We work with trustees and sponsors to strengthen governance across third-party relationships and strategic service delivery. We also work with the industry to drive improvement. Our approach combines long-term market observation with practical operational experience, enabling us to translate governance expectations into structured, proportionate and durable oversight frameworks.

Our work includes:

- Service Provider & Adviser Benchmarking & Market Reviews
- Process & Relationship Management
- Fiduciary Management Governance
- DC Consulting
- Management Consulting

Since 2009, our administration market research has tracked structural change across the UK pensions landscape, providing a consistent view of how operating models, capacity and service delivery have evolved over time. As consolidation and ownership complexity reshape the market, we support clients in understanding not only how services are performing today, but how resilient they are likely to remain through future change.

KGC Associates is part of Independent Governance Group.

Publication Information

Published: February 2026

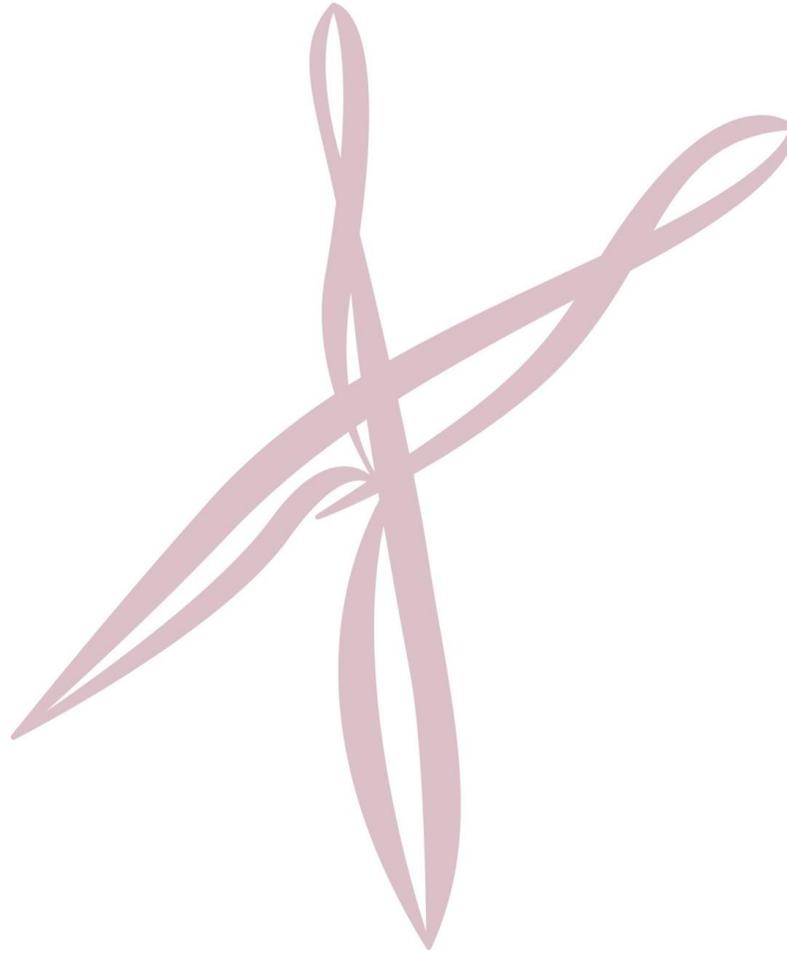
Author: Hayley Mudge, Head of Research, KGC Associates

Organisation: KGC Associates (Part of Independent Governance Group)

Website: www.kgcassociates.com

Contact: hayley.mudge@kgcassociates.com





This document contains proprietary information belonging to KGC Associates Limited. Any dissemination, distribution, reproduction or disclosure in any form requires prior written permission.

© Copyright KGC Associates Limited 2026

KGC Associates Limited, part of Independent Governance Group (“IGG”). IGG is a trading name of Ross Trustees Services Limited (07904277). Registered office 4th Floor Cannon Place, 78 Cannon Street, London, EC4N 6HL.
Ross Trustees Services Limited is registered with the Information Commissioner’s Office under registration number Z3430813.