

HYMANS # ROBERTSON

2025 SOLE TRUSTEE LANDSCAPE REPORT

An overview of the professional
corporate sole trustee landscape

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SUMMARY

Welcome to our 2025 report on the professional corporate sole trustee market, which looks at the landscape for defined benefit (DB) and hybrid schemes over the year to 31 March 2025.

 Over the last five years, we've been working closely with the market to understand:

- Trends in the professional corporate sole trustee (sole trustee) landscape, particularly the growth of sole trustee appointments.
- How professional trustee firms have been evolving their internal processes and operations to adapt to growth.

Sole trusteeship is an arrangement where a professional trustee firm solely performs the role of a corporate trustee to a pension scheme. There are multiple people involved in the governance and management of sole trusteeship. In this fifth anniversary edition, we explore the range of internal governance structures used to oversee the management of thousands of schemes governed by sole trustees.

We also provide an overview of the current landscape and trends. Over the last year, the proportion of schemes without a professional trustee has remained broadly unchanged. What we've observed is a slight decline in the overall universe of DB schemes alongside broad stability in the total number of appointments held by professional trustee firms.

Following a slowdown in the growth of sole trusteeship in the year to 31 March 2024, we've seen this return to a double-digit level of growth. Based on our survey results, this is largely due to trustee boards converting to sole trustee arrangements.

At a glance

- 1 Professional trustees are estimated to represent just under half of all circa 4,900 DB schemes.
- 2 In aggregate, just over 40% of professional trustee appointments to DB schemes are as sole trustee.
- 3 More than 10% growth in the use of sole trusteeship for DB schemes over the last year.
- 4 75% of sole trustee appointments are to schemes with fewer than 500 members.

Please get in touch with us to find out more:



SHANI MCKENZIE

Head of Sole Trustee Services

 shani.mckenzie@hymans.co.uk

 020 7082 6251

MARKET LANDSCAPE /

As of 31 March 2025, we estimate there are just under 4,900 DB pension schemes. Just under half of these schemes have appointed a professional trustee in some capacity. Around 20% of the 4,900 schemes have appointed a professional trustee as a sole trustee. Following a slowdown in the year to 31 March 2024, we've seen a 13% increase in the overall number of sole trustee appointments among the firms we've surveyed for the last two years.

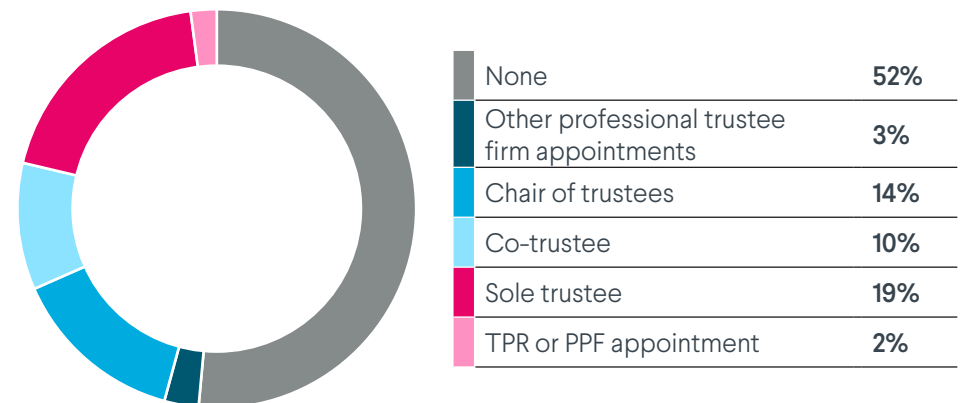
In our fifth year looking at the sole trustee landscape, we've increased the number of firms we surveyed and collated data from 21 firms. These firms represent 45% of schemes in the DB pensions universe (including hybrid schemes that provide both DB and DC benefits). An additional 10 to 15 small and mid-tier firms are estimated to account for 3% of DB schemes.¹

As at 31 March 2025, the proportion of schemes without a professional trustee remains broadly unchanged from last year, with just under half of DB and hybrid schemes having appointed a professional trustee. This includes acting as either the chair of trustees, co-trustee or sole trustee; appointments made by the Pensions Regulator (TPR); or supporting schemes in assessment for the Pension Protection Fund (PPF).

“Just under half of DB and hybrid schemes have appointed a professional trustee.”

Across the 21 firms surveyed, 939 DB and hybrid schemes chose to appoint a sole trustee, representing just under 20% of the DB pensions universe. Around 100 other schemes have appointments made by TPR or to support them with the assessment for the PPF, where the professional trustee firm acts in a sole trustee capacity. In aggregate, there are over **1,000 schemes governed by sole trustees, representing just over 20% of the DB pensions universe at 31 March 2025.**

Professional Trustee role on DB and hybrid pension schemes

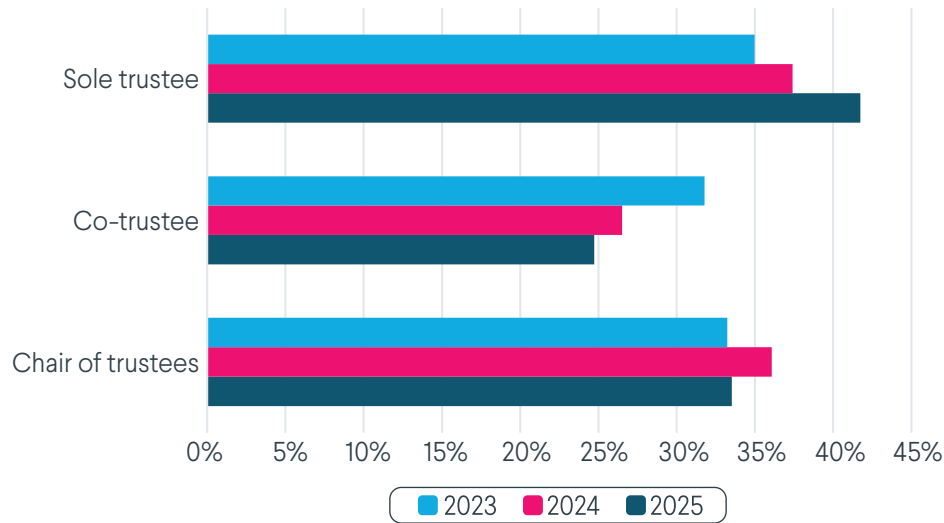


Source: Hymans Robertson survey of 21 professional trustee firms.

¹ This report excludes DC schemes and appointments of independent trustees where the role is performed by sole traders. It also does not capture where there are two professional trustee firms appointed to a single pension scheme.

Over the last two years, the proportion of professional trustee firms' appointments as sole trustee has grown from 35% in 2023 to 42% in 2025. We've also seen the proportion of appointments as co-trustee (part of a board of trustees but not acting as chair) fall from 32% in 2023 to just under 25% in 2025.

How DB pension schemes are choosing to appoint professional trustees



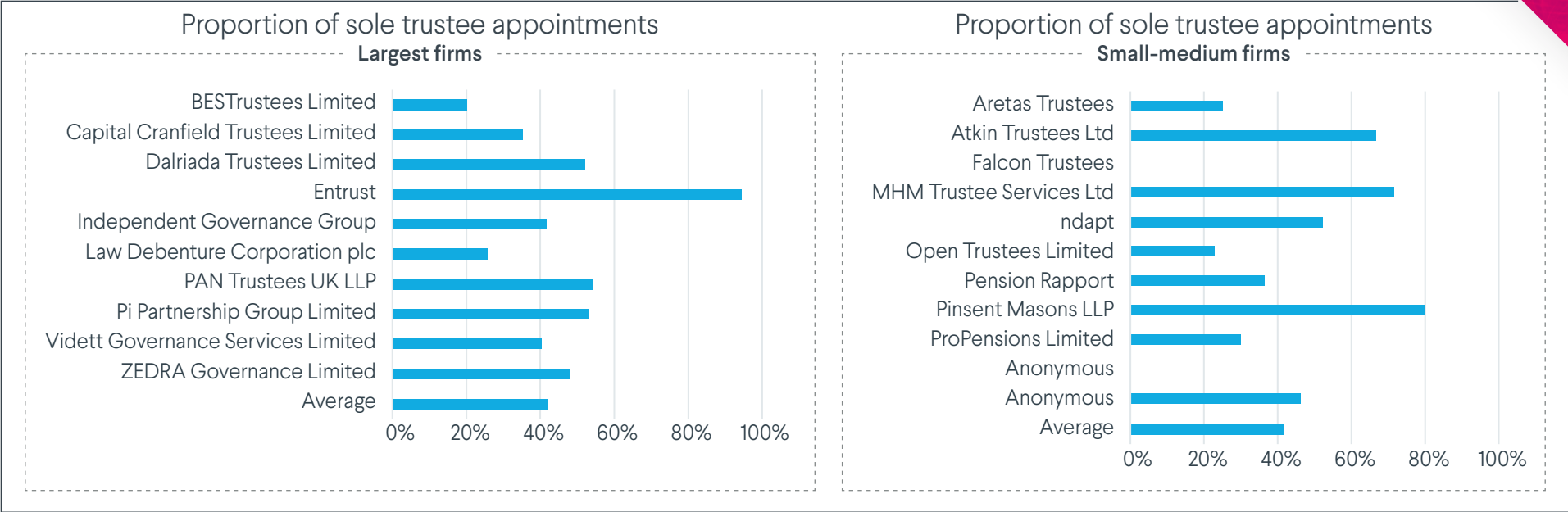
Source: Hymans Robertson survey of 10 professional trustee firms.

Over time we would expect the trend of seeing more sole trustee appointments to continue. Whether schemes chose to appoint a professional trustee as a co-trustee or the Chair of Trustees will depend on how the needs of these pension scheme boards evolve.



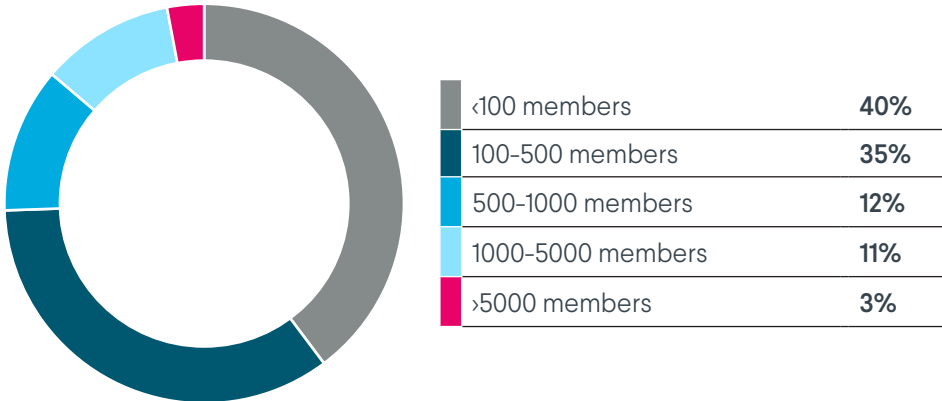
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We've surveyed all of the 10 largest firms and 11 of the small and medium-sized firms. Out of the firms who directly responded to our survey, 19 provide sole trustee services. Based on our knowledge of, and relationships with, the rest of the market, we've estimated the overall expected number of appointments for the remaining 11 firms, who make up the 3% of other professional trustee appointments.

On average, the proportion of sole trustee appointments (excluding TPR and PPF appointments) is broadly the same for the 10 largest firms as it is for the small and medium-sized firms, ranging from 20–94% and 0–80%, respectively. Three of the largest firms (Dalriada, IGG and Entrust) also offer sole trustee operational consolidator vehicles, which are streamlined sole trustee governance approaches to reduce cost and drive further efficiencies.



Most sole trustee appointments are still at the smaller end of the market. Around 40% of appointments are for schemes with fewer than 100 members; 75% are for schemes with less than 500 members. Most sole trustee schemes are therefore expected to have assets of around £50m or less.

Segmentation of sole trustee schemes



Source: Hymans Robertson survey of 21 professional trustee firms.

A spotlight on sole trustee governance structures

In April, TPR announced that it will begin an engagement programme with professional trustees, starting with the largest firms, with a view to maintaining a culture of open regulatory dialogue. TPR will focus on the following areas:



Relationship between the professional trustees and employer.



Conflicts between profit and good decision making.



Sole trusteeship and the internal controls that are in place.



Impact of in-house advice on decision-making.



Delegation of decision-making including accountability, transparency and support.

The Association of Professional Pension Trustees (APPT) has a role to improve and provide assurance on the quality of professional trustees and the discouragement of poor practices. Therefore, most firms have built business models with this in mind, through principles-based, voluntary 'self-regulation' (with each firm interpreting these principles). The final principles also reflect the different perspectives of each co-authoring APPT member organisation. The industry, including professional trustee firms, has welcomed TPR's formal ongoing engagement programme with professional trustees, bringing external oversight and assurance.

TPR's engagement extends beyond sole trusteeship. However, most professional trustee firms will have sole trustee governance processes and internal controls aimed at complying with and heavily influenced by, the voluntary code of practice for sole trustees of pension schemes. The code asserts that sole trustee firms should have documented decision processes detailing how decisions are made and recorded. Furthermore, all material decisions (defined by the process) affecting the use of any trustee discretions or powers should involve at least two accredited professional trustees. The requirements require individual APPT members to be satisfied with their firms' governance and risk controls.

We've looked at governance and delegations within eight of the larger providers of sole trusteeship.

Structuring sole trustee teams

Across the landscape of larger providers, firms take different approaches to constructing their sole trustee delivery teams. Key differences relate to the use of support teams, the separation of governance and secretarial work, and the use of in-house advisers (specialists). Some firms operate under more than one of these approaches depending on the scheme and resource required.

Trustee directors

Under this structure, all work flows through two trustees looking after the scheme. Firms structured this way often don't carry out governance or secretarial work, with trusteeship purely focused on decision-making.

For two firms, this is their standard approach to all appointments, but for others, this approach with no dedicated support may be considered for smaller appointments (and the second trustee may lead on governance and scheme management work).

Trustee directors

Scheme managers

Most firms fall under this structure, where trustee directors are supported by scheme managers (although the titles for this role vary). These managers have either chosen to specialise in governance and scheme management or are on a career path towards trustee director. Scheme managers therefore range from junior staff to experienced pensions executives.

For some firms, all governance decisions must go through the two accredited trustee directors. Others allow non-material decisions that require little/no judgement to be delegated to one accredited trustee director and one scheme manager.

Scheme management **In-house specialists** **Support teams**

Trustee directors

Some firms have separate experienced and specialist governance and scheme management teams that may enhance the sole trustee support team. Such teams don't typically make decisions, which flow through the trustees.

Under this structure, firms may also have in-house specialists in areas such as admin, legal and investment specifically allocated to the scheme for ongoing support.

In all cases, decision-making is not delegated to these specialists and requires the trustees' involvement.

Many professional trustees come from backgrounds in actuarial, investment, administration, legal, covenant and pensions management. Firms have formal and informal structures for seeking support from colleagues outside the core sole trustee delivery team to share experiences and act as a sounding board.

Relationships with the scheme sponsor

Most firms noted that there is one trustee director who owns the relationship with the scheme sponsor, acting as the primary client relationship manager. Although several others noted this is sometimes the case, it often depends on the sponsors' preferences.

When it comes to discussing scheme matters, the approach to liaising with the sponsor was more disparate. Some firms had one trustee director who would likely lead discussions with the sponsor (although under some models that person could change for certain scheme discussions). For other firms, at least two directors would always be present.

In general, the form of engagement between the sole trustee team and the sponsor is more fluid and similar to how trustee boards would operate. Some discussion occurs directly between the chair of trustees and the sponsor, with points of contact through board or sub-committee meetings.

“The form of engagement between the sole trustee team and the sponsor is more fluid and similar to how trustee boards would operate.”

Decisions and delegations

Most firms had similar processes on decision-making: all material decisions must be made by two accredited trustee directors, but routine decisions can be made by one trustee. As interpretation of what constitutes a 'material decision' differs, firms have structured processes documenting this, to which individual trustees must adhere.

There were some deviations from this. One firm noted that all (not just non-material) decisions must be made by two accredited trustees. Others required two individuals to make non-material decisions, but one of those could be a scheme manager. Moreover, most firms have an escalation process requiring very significant decisions (and often those that would attract public interest and/or may result in TPR intervention) to be flagged to an oversight body.

Internal governance structures

Heads of sole trusteeship

Many larger professional trustee firms have a dedicated head of sole trustee, although the scope and time allocated to this role varies. Typically, the head of sole trustees' focus includes business development and a commercial element. Other responsibilities might include implementing best practice, managing internal risk, complying with standards, overseeing governance, monitoring market trends and maintaining business-to-business relationships with service providers.

Sole trustee governance committees











Supporting the head of sole trustee role, firms have also introduced varying functions to cover the range of responsibilities outlined above. In some instances, the head of sole trustee is separate to these functions; in other cases, the structure supports them. While the governance structure and titles of these functions differ across firms, they broadly include:









- ① **Risk committees:** review (and, in some cases, set) internal control requirements and monitor material risks to the trustee firm arising on individual schemes. Their remit often extends beyond sole trusteeship and any material risks may be escalated to professional trustee firms' company boards.
- ② **Governance committees:** review scheme decisions at regular intervals or annually. The approach differs across firms, including reviews of decision logs, minutes or self-assessment reports. This is the most common function across firms and is sometimes combined with the risk committee.
- ③ **Independent peer reviewer:** a trustee not involved in the day-to-day operations of the scheme (often a member of the risk or governance committee) who reviews decisions and provides an alternate view when a decision can't be reached between the allocated trustees to a scheme.

The level of involvement in the management of individual schemes differs. For some firms, oversight ensures internal controls have been followed; for others, the sole trustee is required to report on scheme risks and decisions, which are subject to review. Reporting is a combination of written submissions, one-to-one reviews and committee meeting discussions.

Overview of survey respondents

Thank you to the following firms for completing our market survey. The following data was collected as part of our market survey. Information is effective at 31 March 2025.

	Firm	Number of DB trustee appointments	Number of sole trustee appointments	% of DB trustee appointments that are sole trustee
	BESTrustees Limited	150–200	<50	20%
	Capital Cranfield Trustees Limited	250–300	50–100	39%
	Dalriada Trustees Limited	200–250	100–150	58%
	Entrust	50–100	50–100	94%
	Independent Governance Group	>300	150–200	47%
	Law Debenture Corporation plc	150–200	<50	26%
	PAN Trustees UK LLP	100–150	50–100	54%
	Pi Partnership Group Limited	50–100	<50	54%
	Vidett Governance Services Limited	>300	150–200	50%
	ZEDRA Governance Limited	150–200	50–100	48%

	Firm	Number of DB trustee appointments	Number of sole trustee appointments	% of DB trustee appointments that are sole trustee
	Aretas Trustees	<50	<50	25%
	Atkin Trustees Ltd	<50	<50	67%
	Falcon Trustees	<50	<50	0%
	MHM Trustee Services Ltd	<50	<50	71%
	ndapt	<50	<50	52%
	Open Trustees Limited	<50	<50	91%
Pensions Rapport	Pension Rapport	<50	<50	36%
	Pinsent Masons LLP	<50	<50	80%
	ProPensions Limited	<50	<50	30%
	Anonymous	<50	<50	0%
	Anonymous	<50	<50	46%



London | Birmingham | Glasgow | Edinburgh

T 020 7082 6000 | www.hymans.co.uk

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