



ZEDRA

# UK pension **buy-out**

Trustees must speak up to safeguard member outcomes



# UK pension buy-out: trustees must speak up to safeguard member outcomes

As the UK pensions landscape continues to evolve, trustees have a responsibility to take a more active role in shaping the future of member outcomes and sustainability throughout buy-out transactions.

**Kim Nash**  
Managing Director  
ZEDRA Governance

[Kim.Nash@zedra.com](mailto:Kim.Nash@zedra.com)



## A shifting landscape in pension scheme transactions

The UK has seen a marked increase in pension schemes completing buy-out transactions. These deals, which transfer pension liabilities from trustees to insurers, are reshaping the investment landscape and introducing new systemic risks.

While a buy-out can offer security and finality for schemes, they also mark a critical transition point — one where trustees relinquish control over the assets and the stewardship principles they have long championed.

For years, trustees have embedded sustainability into their investment strategies, setting clear stewardship priorities and pushing for responsible asset management.

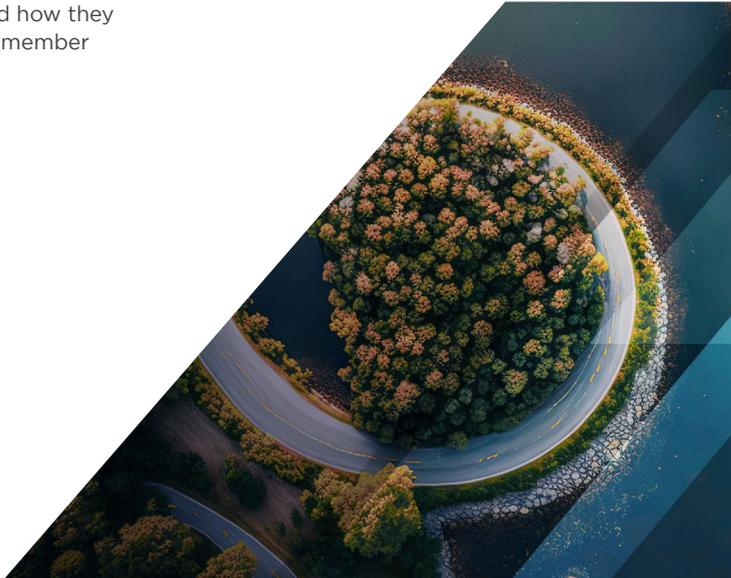
However, at the point of risk transfer, that influence ends. Trustees must ensure the values and principles they upheld during their tenure continue to be reflected in the post-transaction environment.

## The power of questions

Trustees must use their voice. By asking the right questions and demanding concrete data, trustees can influence insurer behaviour and drive positive change across the market.

This includes probing insurers on how they manage ESG risks, how they report on sustainability metrics, and how they plan to maintain or improve member services.

The more trustees focus on these issues, the more insurers will be compelled to respond with substance. This, in turn, can elevate standards across the industry, ensuring that member outcomes and long-term sustainability are closely considered by insurers.



# A call to action

Trustees are uniquely positioned to act as stewards of both financial and ethical responsibility.

As they approach the final stages of their fiduciary journey in a buy-out, their influence, though time-limited, can be profound.

## Trustees should:

### Demand transparency

Insist on clear, data-backed evidence of how insurers will manage member outcomes and sustainability.

### Move ESG up the priority list

Evaluate insurers not just on financial strength, but on their commitment to responsible investment and long-term impact.

### Champion member experience

Ensure that the transition enhances, rather than diminishes, the quality of service and support members receive.

### Use their leverage

Recognise that this is a critical moment to shape the future — both for scheme members and for the broader pensions ecosystem.



## In conclusion

The rise in pension buy-outs presents both opportunities and risks. Trustees must not view the transaction as the end of their responsibility, but rather as a final, powerful moment to advocate for the values they have upheld throughout their stewardship.

By holding insurers to account on sustainability and member outcomes, trustees can help ensure the legacy they leave behind is one of integrity, foresight, and care.

## How ZEDRA can help

Our award-winning team acts as independent professional trustee to Defined Benefit (DB), Hybrid, and Defined Contribution (DC) pension schemes across the UK.

Widely experienced across multiple industries, we deliver a service that reflects your individual requirements and achieves good outcomes for scheme members and sponsors.

We understand that a collaborative working relationship between the trustees and the sponsor is key to success, and we constructively engage and challenge the scheme's advisers to enhance decision making, budgeting, and time management.

**To find out more, contact [Kim Nash](#).**





The content of this document is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

This document must be read in conjunction with our Legal and Regulatory notice at [www.zedra.com](http://www.zedra.com)